STEM BUILDERS LEARNING CENTER

FRANCHISE DISCLOSURE DOCUMENT

STEM Builders Learning Center, LLC, d/b/a STEM Builders Learning Center
A Minnesota corporation
16400 61st Ave N, Plymouth, MN-55446
Phone: (763) 205-0488

www.STEMBuilders.com

STEM Builders Learning Center, LLC provides Science, Technology, Engineering & Math (STEM) education and tutoring services to local area school students. We provide these services to both elementary- and middle-school students, operating under Trademarks owned by us or licensed by our affiliate(s) and using our established methods and systems. Franchises are operated under the name "STEM Builders Learning Center."

The total investment necessary to begin operations of STEM Builders Learning Center ranges from $73,100.00 to $109,000.00 depending on territory, size, and location. The Initial Franchise Fee payable to the franchisor is $25,000, of which $5,000 must be paid with the application and $20,000 must be paid within 7 days after we approve application. Further information can be found at Item 5 of this document.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department at 16400 61ST AVE N, Plymouth, MN 55446.

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

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

There may also be laws on franchising in your state. Ask your state agencies about them.
ISSUANCE DATE: April 14, 2021

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 Attachment 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 Attachment A 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 STEM Builders Learning Center 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 STEM Building Learning Center Franchisee?	Item 20 or Attachment 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 Attachment F.

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 Minnesota. 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 Minnesota 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.

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

Definitions

To simplify this Franchise Disclosure Document, "We" means **STEM BUILDERS LEARNING CENTER LLC**, d.b.a. **STEM BUILDERS Learning Center**, the franchisor. Sometimes "Our" or "Us" refers to **STEM BUILDERS LEARNING CENTER LLC**, when appropriate. "You" means the person or entity who buys the franchise. If You are a legal entity, "You" includes all owners of any equity interest in the entity. "Licensed Business" or "Center" means the business You will operate under the Franchise Agreement, providing education & tutoring service to elementary and middle school students in the field of STEM operating under Marks owned by Us or licensed to Us by our affiliate(s) and following Our System.

Our Predecessors and Affiliates

Our predecessor and affiliate is STEM Builders, Inc. STEM Builders, Inc. is a Minnesota corporation which was formed on May 17, 2016. Its principal business address and telephone number is 16400 61st Ave N, Plymouth, MN 55446, 205-0488. STEM Builders, Inc. owns the registered trademark, MOTIVATE TO INNOVATE…STEM BUILDERS LEARNING CENTER" and has licensed it to us. It previously owned and operated a STEM Builders business in Plymouth, Minnesota from 2016 until October 2020 when the Center was sold to a franchisee. Since the sale of that unit, STEM Builders, Inc. has not operated a brick-and-mortar STEM Builders location. STEM Builders, Inc. has offered on-line STEM classes since April 2020. STEM Builders, Inc. has never offered franchises in this or in any other line of business.

Our Names

We do business under our corporate name, **STEM BUILDERS LEARNING CENTER LLC**, the name "**STEM BUILDERS LEARNING CENTER**" and the words "**Motivate to Innovate.**" We do not do business under any other name.

Our Address and Agent for Service

Our principal business address and address for service of process is **16400 61st Ave N, Plymouth, MN 55446**. Our agents for service of process are listed in Attachment "E".

Our Business Form

We are a **Minnesota** limited liability company, organized April 03rd, 2018.

Our Business and Franchises Offered

Under the franchise we offer, You will operate a business providing Science, Technology, Engineering, and Math (STEM) enrichment education and tutoring services to elementary and middle school students. You will provide them a safe environment to learn science, math, computer programing, and building, programming, and testing robots. You will also provide services to host birthday parties and summer camps in the field of STEM education. You will provide these services to elementary and middle school students, operating under our name and trademarks owned by us or licensed to us by our affiliate(s) and using our methods and systems.

Target audience for STEM Builders are:

- Students in Grades K-9 from the local area schools;
- Students who are looking to learn STEM in a fun environment;
- Children who are gifted in STEM and thriving for an open environment to apply and learn;
- Students who are creative in engineering and are not looking for career in sports;
- Students who love hands-on learning;

- Students who need helping hand in understanding and applying STEM;
- Students who would like to work in teams and also for students who would love to learn how to work in teams;
- Parents who want to give options to their students in STEM education;
- Parents who are looking for personalized education needs for their students;
- Parents/students who are tech-savvy and want to try different things;
- Everyone else who is not sure what is Robotics and how STEM influence your real life.

Some competitors will offer many services that are the same as or similar to those You offer.

Market Type:

The market for STEM based supplemental education programs is growing and is competitive. Your competition will primarily consist of other supplemental educational businesses which may be franchised or non-franchised.

Prior Business Experience

We have offered STEM BUILDERS franchises since 2018. We are not engaged in nor have we offered franchises in any other line of business.

Laws Affecting Your Licensed Business

While there are many federal, state and local regulations specific to operating a day care business, You will not be providing any day care services or providing food to the students while they are in STEM Builders, so these regulations do not apply. You should consult a lawyer with experience dealing with franchises and **Education/tutoring services** to be sure you are familiar with the current statutes and regulations that might apply within your territory.

There are, of course, statutes and regulations that are common to all businesses, including those governing health and labor issues, zoning, and safety. You should obtain a complete copy of the relevant statutes and regulations of the federal government and the State of Minnesota and discuss them with Your attorney. You should also investigate applicable county and city ordinances and regulations for Your territory.

Item 2. Business Experience

Mr. Kalyan Chanda
Founder and Chief Executive Officer, Chief Financial Officer
Mr. Chanda has been our Chief Executive Officer since we were formed. He also serves as a Senior Project Manager for Medtronic Corp in Mounds View, Minnesota from November 2018 through the present. Mr. Chanda also is the founder and owner of STEM Builders, Inc. from 2016 through the present in Plymouth, Minnesota.

Mrs. Madhuri Chanda
Co-Founder, Chief Operating Officer, Chief Marketing Officer
Ms. Chanda has been our Chief Operating Officer and Chief Marketing Officer since our formation. She has also been employed as a Senior Engineer in Information Technology for Target Corporation from August 2015 through the present in Plymouth, Minnesota. She has served as founder and owner for STEM Builders, Inc. from 2016 through the present in Plymouth, Minnesota.

Item 3. Litigation

No litigation is required to be disclosed in this Item.

Item 4. Bankruptcy

No bankruptcy is required to be disclosed in this disclosure document.

Item 5. Initial Fees

Initial Fee

The Initial Fee for the **STEM BUILDERS LEARNING CENTER** franchise is $**25,000.00**. We offer a discounted Initial Fee of $15,000 to individuals with prior experience in Science technology engineering and math education in schools as a teacher or any other location be it internationally or volunteer.

Payment of Initial Fee

The total Initial Franchise Fee is $25,000.00, of which $5,000 is due with the application and $20,000 is due within 7 days after We approve Your application.

Refund of Initial Franchise Fee

If we disapprove Your application for a franchise for any reason before You sign the Franchise Agreement, We will refund Your deposit in full. After We have approved Your Application, We will not refund the Initial Franchise Fee except if We determine that You have not successfully completed the initial training. If that happens, We will refund one-half of the Initial Fee paid. We will determine whether You have successfully completed the initial training based upon knowledge test results and Our observations of Your ability to use the knowledge effectively.

Other than the above, there are no other purchases from or payments to us or to any affiliate of ours that you must make before your Licensed Business opens.

Item 6. Other Fees

Type of fee	Amount	Due Date	Remarks
Royalty Fee	7% of Gross Revenues but not less than $500 per month. See Note A.	Payable monthly by Electronic Funds Transfer. Funds must be in Your designated bank account in time so that We can obtain them by 10th of the following month.	Royalty fee commences 90 days after you are open for business.

Type of fee	Amount	Due Date	Remarks
National Brand Fund Fee	2% of Gross Revenues but not less than $100 per month. We reserve the right to increase the National Brand Fund Fee to not more than the greater of 4% of Gross Revenues or $250 per month. See Note B.	Payable monthly by Electronic Funds Transfer. The Brand Fund Fees will commence 90 days after the opening of the Licensed Business.	The Brand Fund Contribution is paid to the Fund. Contributions are not refundable unless we dissolve the Fund.
Local & Cooperative Marketing	5% of Gross Revenues but not less than $300 per month. See Note B.	Monthly	You must spend at least 5% of Gross Revenues (but not less than $300 per month) on local marketing. If we establish an advertising cooperative in Your market You must participate in the cooperative and contribute moneys as determined by a majority vote of the cooperative, not to exceed 5% of Gross Revenues.
Additional Training	Approximately $1000 per group training (up to 3 people). In addition, You are solely responsible for all compensation, salaries, benefits and travel-related expenses for Yourself or any employees. See Note C.	In advance of the training program(s)	You and Your **STEM Builder Trained Specialist (SBT)**, must complete the initial training (cost included in the Initial Fee for first three persons trained) and certain additional training at Your cost. If You obtain a new or replacement manager or **STEM Builder Trained Specialist (SBT)**, You will be responsible for the cost of initial training for that person after We have trained three people for You.
Transfer	$10,000	Before completing transfer	Payable only if You sell Your franchise or any part of Your business. Fee is $500 if You transfer to a corporation or other entity which You control.
Audit (less than 3% under reporting)	1.5% per month interest on amount of underpayment plus the amount of the underpayment	Immediately upon billing	Payable only if an audit reveals that You have under reported Gross Revenues, but by less than 3 percent.
Audit (3% or more under reporting)	1.5% per month interest on amount of underpayment plus the cost of the audit plus the amount of the underpayment	Immediately upon billing	Payable only if an audit reveals that You have under reported Gross Revenues by 3 percent or more.

Type of fee	Amount	Due Date	Remarks
Renewal	$5,000	Before consummating Renewal	The Renewal Fee compensates us for our legal and administrative costs in the processing of the renewal of the franchise, including the inspection of the premises, if necessary.
Profits on supplies or equipment	Variable	When You purchase items from Us or Our affiliate(s)	Some items (for example, those bearing the Marks) may be available only from Us or an affiliate. We or the affiliate would expect to realize a profit on any such sales. You may elect to purchase other items from or through Us or an affiliate, in which case We or Our affiliate will generally realize a profit on the sale.
Indemnification	Varies under circumstances of claim	As incurred	You must reimburse us for damages, claims, lawsuits related to your franchise.
Attorney's Fees	Varies under circumstances	As incurred	You must pay attorneys' fees and costs if you fail to comply with your obligations under the Franchise Agreement.
Management Fee	$500 per day	Within 10 days of our invoice	Upon a failure to cure any default within the applicable time period (if any), Franchisor has the right to enter upon the premises of the Licensed Business and exercise complete authority with respect to the operation of the Licensed Business.

Notes Regarding Other Fees

The table above provides recurring or isolated fees or payments that Franchisee must pay to Franchisor or its Affiliates or that Franchisor or its Affiliates impose or collect in whole or in part on behalf of a third-party or that Franchisee is required to spend by the Franchise Agreement. All fees and expenses described in this Item 6 are nonrefundable. Except as otherwise indicated in the chart above, we uniformly impose all fees and expenses listed and they are payable to us and are fully earned upon receipt by us. Except as specifically stated above, the amounts given may be subject to increases based on changes in market conditions, our cost of providing services and future policy changes. We will collect the fees by automatic bank drafts. To facilitate the automatic bank draft, you must execute the documentation that we or your bank require.

Note A. Royalty Fees

You will pay a monthly Royalty Fee. You will pay by electronic funds transfer. We may, upon 30 days prior written notice, require You to pay Royalties by check, pre-authorized check, electronic funds transfer or similar mechanism. We may, upon notice, require You to pay Your Royalty Fees on a different periodic basis.

"Gross Revenues" means the amount of all your revenues and income related to your business whether for cash or credit and regardless of collection and including exchanges in kind or for barter. Gross Revenues do not include sales or like taxes, provided they are separately stated in the customer's charge, are

collected from the customer and are actually paid to appropriate taxing authority. Gross Revenues include, without limitation, amounts you receive or are entitled to receive from the offer for sale, sale of all products, or merchandise that you offer for sale, whether such sales were conducted in compliance with or in violation of the Franchise Agreement. Gross Revenues also includes insurance proceeds you receive for loss of profit or business or for damage to goods.

Note B. National Brand Fund Fees

We have established a separate fund for the purpose of enhancing the goodwill and public image of the System through promoting and protecting the brand (the "Brand Fund"). We require that you contribute to the Brand Fund (the "Brand Fund Contribution") of 2% of your Gross Revenue.

Note C. Training Expense.

Initially, You must have two full-time people working the business, one of which must be You. One must be responsible for business operations and management; the other must be, at all times, a Certified **STEM BUILDERS LEARNING CENTER LLC** STEM Builder Trained Specialist (SBT). Both of you must successfully complete Our initial training program. We will decide whether You and Your **STEM Builder Trained Specialist (SBT)** successfully complete the initial training program based upon knowledge test results and Our observations of Your ability to use the knowledge effectively. In addition to successfully completing our initial training program.

During your franchise term, We will provide initial training to You and up to two additional persons as part of your Initial Fee. After the first three persons, You must bear the cost of training additional **STEM Builder Trained Specialist (SBT)**s or managers. In all cases, You are solely responsible for all salaries, compensation, benefits, travel and related expenses for trainees.

We may require You or Your **STEM Builder Trained Specialist (SBT)**(s) to attend additional training at a location We determine. Generally, You must pay Our usual fee(s) for mandatory training. In any event, You are solely responsible for all salaries, compensation, benefits and travel related expenses of trainees.

We may provide or make available training materials and equipment for You or Your employees and may charge a fee. All training materials are Trade Secrets. You must require any of Your employees to successfully complete any training program(s) if We designate them as mandatory.

Item 7. Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (see Note 1)	$15,000 - $25,000	Check or wire transfer	Upon signing the franchise agreement	Us
Rent (one month) (see Note 2)	$3,000 - $4,000	Check	Upon signing lease	Landlord
Lease Security Deposit (see Note 2)	$3,000 - $4,000	Check	Upon signing lease	Landlord
Utilities	$200 - $300	Check, debit, and/or credit	Upon ordering service	Utility providers

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Leasehold Improvements (See Note 3)	$3,000 - $5,000	Check	As incurred or when billed	Contractors
Market Introduction Program (See Note 4)	$1,000 - $3,000	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Furniture, Fixtures, and Equipment (See Note 5)	$5,000 - $7,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Computer Systems	$3,000 - $5,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Insurance (3 months) (See Note 6)	$300 - $500	Check	Upon ordering	Insurance company
Signage	$2,000 - $4,000	Check, debit, and/or credit	Upon ordering	Vendor
Inventory	$5,000 - $6,000	Check, debit, and/or credit	Upon ordering	Vendors
Licenses and Permits (See Note 7)	$500 - $750	Check	Upon application	Government
Dues and Subscriptions	$100 - $200	Check, debit, and/or credit	As incurred	Vendors, trade organizations
Professional Fees (lawyer, accountant, etc.) (See Note 8)	$500 - $1,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms
Travel, lodging and meals for initial training. (See Note 9)	$2,000 - $4,000	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) (See Note 10)	$30,000 - $40,000	Varies	Varies	Employees, suppliers, utilities
Total	**$73,100 - $109,000**			

Note 1: Initial Fee

A deposit in the amount of $**5,000.00** is payable in cash upon signing the **STEM BUILDERS LEARNING CENTER** Franchise Application (Attachment G). The balance of the Initial Fee ($**20,000.00**) is payable in full, in cash, upon signing the Agreement.

Note 2: Real Estate Rental

You must obtain and maintain a business office and sufficient storage space that meets our requirements. If You already lease or own Premises, You should review Your lease or purchase documents to evaluate the cost of real estate rental. If not, lease situations will vary in rental amounts, lease terms,

amount of space required, tenant improvements required, security deposit and advance rental required. Location is a very major factor in the amount of rent required. These estimates may not cover advance rental deposits, insurance and similar expenses. You may elect to own Your own Premises, in which case it is not possible for Us to estimate the cost because of the wide variations in price and financing options. If You rent real estate for the Premises, You may be liable for the entire term of the lease whether or not You succeed in the Licensed Business. You should consult Your lease documents and your attorney. Your cost of obtaining real estate could be higher if you request us to send a person to your Territory to assist you in connection with your acquisition.

Note 3: Leasehold Improvements

The cost could be higher if You or Your landlord request changes from the standard design and materials.

If You already lease or own Premises, You should review Your lease or purchase documents to evaluate the cost of real estate leasehold improvements. If not, lease situations will vary in rental amounts, lease terms, amount of space required, and tenant improvements required. Size, configuration and landlord requirements will be major factors in cost. Some landlords finance leasehold improvements by amortizing them over the lease term and charging a higher rental amount to cover the cost. You should attempt to determine Your costs and financing options before deciding on Premises.

Even if You are taking over or continuing in existing **STEM BUILDERS LEARNING CENTER** Premises or another existing facility, We may require that You remodel, redecorate or make other changes to the Premises to comply with Our specifications, at Your cost. You must maintain the Premises, at Your expense, including furniture, fixtures, interior and exterior paint and landscaping, in accordance with the Our specifications.

Note 4 - Market Introduction Program

We recommend a "grand opening" appropriate for Your community, competitive situation and similar factors. The cost of a grand opening is difficult to estimate with accuracy because of local market factors, including the types of marketing media available, the cost of marketing space or time and the local competitive situation. We estimate that, in most areas, You can accomplish an adequate grand opening for between $1,000 and $3,000, although, because of local conditions, You may decide that more or less is necessary.

Note 5: Equipment (Laptops/Tablets/TV/Projector etc.)

If You are buying a fully equipped outlet from Us the cost of mandatory equipment will be within this range. If You purchase from another franchisee or if you elect to acquire Your mandatory equipment from other sources, it may cost more. We are not obligated to offer your business on a fully equipped basis.

The cost of equipment could vary widely depending primarily upon Your circumstances. Some new franchisees will have existing businesses and will already have some of the equipment they will need. This may or may not be Your situation. However, even if You have an existing **STEM BUILDERS LEARNING CENTER** business that is fully equipped, You may need additional or different equipment if You are expanding Your operations or to comply with Our standards. There are factors beyond Our control that could cause You to invest more in equipment.

If You lease the equipment, that may increase Your monthly fixed expenses. If You borrow money to purchase the equipment, that may increase Your monthly fixed expenses.

Note 6: Insurance.

We require You to purchase and maintain, at Your expense, throughout the term of this Agreement commercial general liability insurance, including bodily injury, property damage, personal injury, advertising injury, non-owned automobile, loss of business income, and broad form contractual coverage for liability assumed under this Agreement. Such insurance shall be on an occurrence basis and shall consist of

combined single limit coverage of at least one million dollars per occurrence/two million dollars annual aggregate. You must purchase and maintain professional liability (errors and omissions) insurance. You must purchase and maintain worker's compensation and employer's liability insurance with a reputable insurer acceptable to Us or with a state agency. You must provide Us with one or more certificates of insurance evidencing such coverages and naming Us as an additional insured as to each applicable policy. Such certificate(s) of insurance shall provide that the coverages under the respective policy(ies) may not be modified (except to increase coverage) or canceled until at least thirty (30) days prior written notice of such cancellation or modification has been given to Us. Upon Our request You must provide Us with a true copy of any insurance policy, including all endorsements. Every insurance policy must provide that coverage is primary/non-contributory. Every insurance policy must be with an insurance company that meets Our criteria as set forth in the Manual.

Note 7: Licenses and Permits

Licensing laws and permit requirements, including fees, may vary depending on the county, state or municipality. You must comply with these laws.

Note 8: Professional Fees

This amount includes expenses you will incur to obtain legal counsel to review the Franchise Agreement and this Disclosure Document and to form your business entity and obtain an accountant to set up your accounting systems.

Note 9: Training.

Our cost of our Initial Training for up to 3 people is included in your Initial Franchise Fee. You must pay for the expense of attendance, including lodging, meals, transportation, and wages of your employees that attend.

Note 10: Additional Funds

This category covers the initial expenses you will likely incur while you establish your business. Your expenditures will depend on factors such as your business skills and experience, general and local economic conditions, competition, the prevailing wage rate, the amount of services you provide during the initial period, how well your business is performing, and the number of hours you are willing to invest in your business. These expenses do not include any draw or salary for the owners of the business, but they do include employee salaries. This is only an estimate, and we cannot guarantee that the amounts specified will be adequate. You may need additional funds during the first 3 months of initial operations or afterwards. We do not furnish or authorize our salespersons or any other persons or entities to furnish estimates as to the capital or other reserve funds necessary to reach “break-even” or any other financial position, nor should you rely on any such estimates. The 3-month period from beginning the business covers the time by which most Franchisees are fully in operation but does not necessarily mean that you will have reached “break-even”, “positive cash flow”, or any other financial position. In addition, the estimates presented relate only to costs associated with the Franchised Business, reflect minimal employee wages and do not cover any personal, “living”, unrelated business or other expenses you may have, such as royalty payments, Brand Fund Contributions, debt service on any loans. Although we make no estimates regarding the financial performance of Licensed Businesses, we recommend that, in addition to the additional funds shown, you have sufficient personal savings and/or income so that you will be self-sufficient and need not draw funds from your Business for at least 3 months after start-up.

None of the payments in the above Item 7 chart that are payable to us are refundable, except as noted in Item 5 regarding the refundability of the Initial Fee. Payments made to third parties are generally not refundable but will depend on the vendor, etc., to which the payment is made.

Item 8. Restrictions on Sources of Products and Services

You must purchase from Us or a supplier that We approve certain equipment, supplies and inventory necessary to start or operate the Licensed Business. As to other equipment, supplies and inventory, You may purchase them from the vendor(s) of Your choice, but the item(s) must meet Our specifications. We issue specifications in writing and incorporate them in the Manual. These specifications include quality, accuracy, preparation, installation, application, delivery, performance, design and appearance. In some instances, You must purchase items that comply with Our reasonable subjective determination of whether they meet the standards and comport with the **STEM BUILDERS LEARNING CENTER** image. If We have not provided specifications, You may purchase any items that reasonably meet the requirements of the Licensed Business.

You must purchase from Us or a vendor that We approve all items used to start or operate Your business that contain or bear our Trademarks or Trademarks we are licensed to use. We or our designated vendor(s) will make a wholesale profit consistent with industry standards. All items that You purchase from approved suppliers must meet Our specifications. This includes advertising and marketing materials, forms, and promotional items. In addition, You must purchase the signs used to identify the Licensed Business(s) and Premises from a vendor We approve.

During our last fiscal year which ended on December 31, 2020, our affiliate derived no revenue from required purchases or leases by franchisees made in accordance with Our specifications. During the fiscal year which ended on December 31, 2020 we received $6,729.22 based on required purchases or leases by franchisees made in accordance with Our specifications. That amount represented 21.6% of our total revenue of $31,145.92. During the fiscal year which ended on December 31, 2020, we received no rebates or other commissions from any vendor based on purchases or leases by franchisees. Because of common industry practices, we expect to receive rebates, discounts and allowances from some vendors with whom you do business. We will place such monies in either the National Marketing Fund or in a separate fund to cover the cost of franchisee conferences and conventions and franchisee incentive programs. We will make a reasonable attempt to administer the funds in a way that is fair and equitable. We anticipate that such rebates, discounts and allowances may range from zero percent to as high as fifteen percent of the amount of your purchase of certain items. We expect the amount and availability to vary from time to time based upon factors outside our control. We will prepare an annual unaudited accounting of the amount of monies received and their application by general category and will provide You with a copy upon written request.

Please review Item 11 for information regarding computer hardware and software You must purchase or license.

We may negotiate purchase arrangements with suppliers for Your benefit in the future. Except as described in this Item, We do not currently provide any material benefits to You based upon Your use of designated or approved sources except that You know that We have confidence that the designated or approved vendor can perform to Our specifications.

Your employees and manager(s) must complete certain training programs at Your expense. We have no historic information about how much You will spend on mandatory training programs. See Item 6.

We estimate that Your purchases of goods & services from approved sources will represent approximately 5 to 10% of Your overall purchases in operating the Licensed Business. The numbers contained in this Item 8 are Our good-faith estimates. We have little historic data from which to derive accurate numbers or percentages. In the interest of providing, You with some point of reference, We have provided these estimates. Both We and Our affiliate(s) have the right to make a profit on items You purchase from Us. Any profits would be within the range of standards in the industry for the item(s) in question.

No franchisor officer owns an interest in any supplier.

The franchisor does not provide material benefits (such as renewal or granting additional franchises) to a franchisee based on the franchisee's purchase of particular products or services or use of designated or approved suppliers.

Item 9. Franchisee's Obligations

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

Obligation	Section in Agreement	Item in Franchise Disclosure Document
a. Site selection and acquisition/lease	Articles 1, 6, 9, 12, 15, 17 Exhibits A, B, & E Exhibit H (if applicable)	Items 6, 9, 11, 12, & 17 Attachment B, Exhibits A, B, & E Attachment B, Exhibit H (if applicable)
b. Pre-opening purchases/leases	Articles 1, 6, 7, & 8 Exhibits A, B, C, & D Exhibit H (if applicable)	Items 5, 6, 7, 9 & 17 Attachment B, Exhibits A, B, C & D Attachment B, Exhibit H (if applicable)
c. Site development and other pre-opening requirements	Articles 1, 2, 4, 6, 7, 8, & 11 Exhibits A, B, C, & D Exhibit H (if applicable)	Items 5, 6, 9, 11 & 17 Attachment B, Exhibits A, B, C & D Attachment B, Exhibit H (if applicable)
d. Initial and ongoing training	Articles 1, 4, 5, 7, 9, 12, 13, 15 & 20 Exhibit K	Items 5, 6, 9, 11, 14, 15 & 17
e. Opening	Articles 1, 2, 4, 6, 7, 8, 11, & 12 Exhibits A, B, C, D, E, F, G, H (if applicable), I & K	Items 5, 6, 7, 9, 11, 12, 16, 22, Attachment B, Exhibits A, B, C, D, E, F, G, H (if applicable) I & K
f. Fees	Articles 2, 3, 4, 5, 7, 9, 11, 12, 17, 18, 20 & Exhibit G; Exhibit L (if applicable)	Items 5, 6, 7, 9, 10, 17, Attachment B, Exhibit G; Attachment B, Exhibit L (if applicable)
g. Compliance with standards and policies/Operating Manual	Articles 1, 2, 3, 4, 5, 6, 7, 11, 12, 13 & 15 & Exhibits C & D	Items 8, 9, 12, 13, 16, 17, Attachment B, Exhibits C & D
h. Trademarks and proprietary information	Articles 1, 2, 5, 6, 7, 11, 15, 16, 17 & Exhibits A, B, D, F, G, I & L (if applicable)	Items 1, 8, 9, 11, 12, 13, 14, 16, 17, Attachment B, Exhibits A, B, D, F, G, I & L (if applicable)
i. Restrictions on products/services	Articles 1 & 7 & Exhibit D	Items 1, 8, 9, 12, 13, 14, 16 & 17 & Attachment B, Exhibit D
j. Warranty and customer service requirements	Articles 1, 2, 3, 4, 5, 7, 8 & 15,	Items 1, 8, 9, 12, 13, 14, 15, 16 & 17
k. Territorial development and sales quotas	None	None
l. Ongoing product/service purchases	Articles 4, 5, 7 & 15, Exhibits C & D	Items 6, 8, 9, 16, & 17, Attachment B, Exhibits C & D
m. Maintenance, appearance and remodeling requirements	Articles 1, 6, 7, 9, 11, 12, 15, 16 & 17, Exhibits A, C & D	Items 6, 7, 9, 13, 15, 16 & 17, Attachment B, Exhibits A, C & D
n. Insurance	Articles 8 & 15	Items 7, 9 & 17
o. Marketing	Articles 1, 2, 3, 6, 7, & 15	Items 7, 8, 9, 13, 14, 16, 17 & 18
p. Indemnification	Articles 8, 11 & 15	Items 7, 9 & 17
q. Owner's participation/management/ staffing	Articles 4, 5, 7, 11, 13, 15 & 17, Exhibits G & I	Items 7, 8, 9, 12, 13, 15, 16, & 17, Attachment B, Exhibits G & I
r. Records/reports	Articles 3, 7, 8, 12 & 15	Items 8, 9, 15 & 17
s. Inspections/audits	Articles 3, 7, & 15	Items 6, 8, 9, 16 & 17
t. Transfer	Articles 1, 6, 7, 11, 12, 13, 14, 15, 16, 17	Items 6, 9, 13, 14 & 17
u. Renewal	Articles 9, 10 & 15	Items 6, 9 & 17

Obligation	Section in Agreement	Item in Franchise Disclosure Document
v. Post-termination obligations	Articles 5, 8, 10, 13, 14, 15, 16, 17	Items 6, 9 & 17
w. Non-competition covenants	Articles 1, 5, 7, 11, 15, 16 17	Items 9, 13, 14 & 17
x. Dispute resolution	Article 18	Items 9 & 17

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

Pre-opening Obligations.

Except as listed below, We are not required to provide any assistance to You.

Before You open Your Licensed Business, We will:

1. License you to use our Trademarks or those licensed to us by our affiliate(s) and our System in connection with your Licensed Business (Franchise Agreement - Article 1).
2. Designate Your Territory (Franchise Agreement - Article 1).
3. Review and approve or disapprove Your selected business Premises (Franchise Agreement, Articles 1 & 7) as follows:
    a. You are responsible for securing a location within your territory. Although We will provide You with any information We have about available locations, You should independently evaluate the proposed location. We do not own Premises and rent them to You.
    b. You are responsible for complying with all local ordinances and building permits and to obtain any required permits.
    c. We require You to maintain and repair the Premises and equipment. We may require You to replace equipment to comply with Our current specifications and image every three years.
    d. You must obtain and install the required equipment, signs, fixtures and supplies from approved suppliers. Please refer to Item 8 for more information.
    e. The factors We will consider in reviewing any proposed site will be unique to that site. However, we will generally consider such factors as: demographics of the surrounding area; the type of nearby development; zoning; physical characteristics of the proposed site; the status of nearby competition; the economics of the proposed site; and access issues. No one factor or combination of factors will be determinative in every case.
    f. If you do not secure a location that We can reasonably approve within 180 days (or any extension We agree to) You will forfeit Your Initial Fee. We are interested in locations, not forfeitures, so if You are making a reasonably diligent effort to secure a good location, We would ordinarily expect to agree to reasonable extensions. We expect you to communicate with us about your efforts.
4. Loan You one or more operations manuals ("the Manual"). The Manual has a total of 77 pages and the Table of Contents is attached as Attachment D (Franchise Agreement - Article 1); and
5. Provide initial training for You and one manager up to a total of 3 people, as follows:

Training Program

Subject	Hours of Classroom Training*	Hours of On-The-Job Training*	Location
Orientation to **STEM BUILDERS LEARNING CENTER**	1	NA	All Training will be conducted via webinar or at our headquarters in Plymouth, Minnesota
Objectives of **STEM BUILDERS LEARNING CENTER**	1	NA	
New Office Development	2	NA	
Service Overview (STEM programs)	15	NA	
Operations	3	21	
Support Systems & Computer Systems	5	NA	
Sales	2	NA	
Marketing & Advertising	2	NA	
People Management	1	NA	
Tours/Vendor Introduction	1	NA	
TOTAL	**33**	**21**	

* All times are approximate, and We may adjust them based upon Your experience and rate of learning. Although the person(s) indicated will coordinate and be responsible for training, they may bring in other appropriate persons to actually conduct the training or some portion of it. The Manual is the primary material used in training. The training will be conducted by Kalyan Chanda and Madhuri Chanda who each have over 5 years' experience in the subjects taught.

We do not charge for the initial training for You or Your **STEM Builder Trained Specialist (SBT)** (initial training for a total of three people is included in Your Initial Fee), but You must pay the travel and living expenses for You and Your employee(s). All training occurs at Our **Plymouth**, **Minnesota** training

center and at one or more operating **STEM BUILDERS LEARNING CENTER** business(es). You and Your **STEM Builder Trained Specialist (SBT)** must successfully complete the initial training program. We will decide whether You successfully complete the initial training program based upon knowledge test results and Our observations of Your ability to use the knowledge effectively.

Before opening Your Licensed Business, You and Your **STEM Builder Trained Specialist (SBT)**, must successfully complete Our initial training program. We will decide whether You successfully complete the initial training program based upon knowledge test results and Our observations of Your ability to use the knowledge effectively. We will ordinarily schedule the initial training program so that You will complete the pre-opening portions no more than 60 days before the scheduled opening of Your Licensed Business. You are responsible for all salaries, compensation and travel related expenses of persons receiving training, both initial training and on-going training.

Because there is always uncertainty about if and when You will locate and develop acceptable franchise Premises, how long it will take to open Your Licensed Business and about whether You will successfully complete training, You should not terminate employment or cease other income producing activity until after these events have occurred.

Obligations after opening.

We will:

1. Take any actions We deem appropriate to protect or defend the Marks or System (Franchise Agreement - Article 1).

2. Loan You one or more operations manuals ("the Manual"), which contains specifications and mandatory and suggested standards and procedures. This manual is confidential and remains Our property. We will modify this manual, but the modifications will not alter Your status and rights under the Franchise Agreement. (Franchise Agreement - Article 1).

3. Manage any Brand Fund Fees. We will provide a periodic accounting, but only as to the aggregate amount of any Brand Fund Fees collected and how We used them by general category. (Franchise Agreement – Article 2)

4. Manage all aspects of the marketing program using any Brand Fund Fees collected (Franchise Agreement - Article 2).

5. Collect and manage funds received as rebates, discounts and allowances from vendors you do business with (Franchise Agreement – Article 2); and

6. Provide a periodic training program for Your manager(s) and for certain other employees, at Our regular charge for the training (Franchise Agreement - Article 4). Please refer to Item 6 for information regarding the frequency and number of training programs We may require You to participate in.

After You open the Licensed Business, We expect to be in regular contact with You to discuss Your operation of the Licensed Business and to generally be of assistance. We plan to provide additional on-going training for You and Your manager(s) and employees at Our usual charges. The Agreement does not obligate Us to provide such services, however.

We plan to provide a marketing program using any Brand Fund Fees You pay, combined with those from other franchisees. We expect to focus all marketing using Brand Fund Fees in areas where We have one or more franchisees, although the Agreement does not require Us to benefit You with every marketing program. We may charge Our marketing research, development and production expenses against the marketing funds. You must conduct marketing for Yourself directly and You may use Your own marketing materials, but You must obtain Our approval of any such materials in advance. We are not obligated to collect a National Marketing Fee or to conduct a marketing program.

You may not engage in sales through alternative distribution channels or the Internet without Our prior written approval. We are not required to give You such approval. (Franchise Agreement – Article 1)

We currently do not have an advisory council. If We form or approve an advisory council, You must participate. Any advisory council would not have decision-making power. It would be advisory only. We have the right to form, change or dissolve any advisory council.

Advertising

Grand Opening

You must pay and conduct a Grand Opening Marketing program for the Licensed Business. We must approve your proposed Grand Opening marketing plan. You are required to spend between $1,000 and $3,000 for your Grand Opening marketing program. The Grand Opening marketing must commence 30 days prior to the opening of the Business and continue for 60 days after opening.

Brand Fund

We require you to contribute a specified amount (the "Brand Fund Fee") to a Brand Fund The Brand Fund contributions will be payable by the 10th day of the month. The amount that you must contribute to the Brand Fund for each Territory is the greater of 2% of Gross Revenue or $100 per month. (Franchise Agreement, Section 2.03.01).

All franchisees are required to contribute to the Brand Fund. Our Affiliates may contribute to the Brand Fund at a rate equal to or less than the required Brand Fund contribution rate required of franchisees. We may contribute or loan additional funds to the Brand Fund on any terms we deem reasonable.

We will direct all programs that the Brand Fund finances, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Brand Fund will pay for preparing and producing local, regional or national advertisements, video, audio and written materials and electronic media; administering regional and multi-regional marketing and advertising programs, (including, without limitation, using in-house or outside advertising, promotion and marketing agencies and other advisors to provide assistance); and supporting public relations, market research and other advertising, promotion and marketing activities. The Brand Fund periodically will give you samples of advertising, marketing and promotional formats and materials and we may require you to use a specific vendor to have these produced at a cost to you, plus related shipping and handling charges.

We will account for the Brand Fund separately from our other funds (but we are not required to maintain a separate account for the Fund) and will not use the Brand Fund for any of our general operating expenses, except to compensate the reasonable salaries, administrative costs of the Fund), travel expenses and overhead we incur in administering the Brand Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for Brand Fund contributions. We reserve the right to use the Brand Fund for the Brand Internet site, including its maintenance and improvements, for national and regional marketing campaigns and for national and regional meetings and conventions of franchisees. The Brand Fund is not our asset. The Brand Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Brand Fund or any other reason. We will not use Brand Fund contributions for advertising that is principally a solicitation for the sale of franchises except that in certain ads with available space, we may insert certain language as to the availability of franchise opportunities. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year; borrow from us or others to cover deficits or invest any surplus for future use. We may charge up to 15% of the Brand Fund Contributions for our administrative expenses in the management of the Fund. We will use all interest earned on Brand Fund contributions to pay costs before using the Brand Fund's other assets. We will prepare an annual unaudited statement of Brand Fund collections and expenses and give you the statement upon written request. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate. During our last fiscal year, the Brand Fund was not in existence.

We intend the Brand Fund to maximize recognition of the Marks and patronage of STEM BUILDERS businesses. Although we will try to use the Brand Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Businesses in the System, we need not ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to the National Advertising Fund contributions by STEM BUILDERS businesses operating in that geographic area or that any STEM BUILDERS business benefit directly or in proportion to its Brand Fund contribution from the development or placement of advertising and marketing materials. We may forgive, waive, settle and compromise all claims by or against the Brand Fund. We assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing or administering the Brand Fund.

We may at any time defer or reduce the Brand Fund contributions of a STEM BUILDERS business and, upon thirty (30) days' prior written notice, reduce or suspend Brand Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will distribute all unspent monies to all STEM BUILDERS businesses (whether franchised or operated by us or our affiliates) in proportion to their respective Brand Fund contributions during the preceding twelve (12) month period.

We are not obligated to expend the Brand Fund Fee or placement of advertising in territory, or to ensure that your franchise business benefits directly or pro-rata from advertising fee expenditures. We will not use the Brand Fund Fee for creating or placing any advertisements that principally solicit for new franchisees. However, we may use the Brand Fund to prepare general advertising that refers to or mentions advertising opportunities within the advertising creative. For instance, a portion of the Brand Fund Fee may be used to create and maintain one or more pages on our website devoted to advertising franchise opportunities and identifying and screening inquiries submitted by franchise candidates.

During our last fiscal year, ending December 31, 2020 we collected $4,178 in the in-Brand Fund Fees. Of that amount, we expended $3,491on internet advertising in the market areas of our franchisees.

Any Brand Fund Fees not used during any one year remain in the marketing fund(s) for the next year. For more detail about the marketing programs, please review Items 6, 8 and 9.

Cooperative Advertising

If at any time there are two or more **STEM BUILDERS LEARNING CENTER** franchisees within a marketing area We may require You to participate in a local marketing cooperative. We will decide and may modify the size and location of any marketing area. A local marketing cooperative may not assess Fees in an amount greater than five percent of Gross Revenues unless all members of the cooperative agree. Except for these guidelines, and subject to any rules or recommendations We may adopt, each local marketing cooperative will be autonomous, making its own rules and procedures and administering its own funds.

Local Marketing

We require you to spend the greater of 5% of your Gross Revenues or $500 per month on approved marketing and advertising in your Territory. Upon our request You will furnish us with documentation of your Local Marketing expenditures.

Internet Activities

We will establish and maintain a website that provides information about the System and we will have sole discretion and control over it. We also have the sole right to create interior pages on our website(s) that contain information about your business and other franchised and company owned locations.

You may not establish or maintain a separate website, splash page or other presence on the Internet through any internet or social networking site in connection with the operation of your Business, including, Facebook, LinkedIn, Pinterest, Google+, Twitter or YouTube, that uses any variation of the Marks

or references the System only in accordance with our System standards and with our prior approval. We will have sole control over the establishment and maintenance of any social networking sites for your Franchised Business. You are not permitted to use any Mark in any domain name that is not provided or pre-approved by us.

Time To Open

The typical length of time between when You sign the Agreement or pay the initial franchise fee and the time when Your Licensed Business opens will generally be three to six months. The factors affecting this length of time include the time necessary for You to obtain Premises and equipment, schedule Your initial training, and hire and train any necessary employees. There may be unusual circumstances in which, because of delays, construction schedules and other events beyond Our control it takes longer than six months. On the other hand, it could be less than three months. If you do not open the Licensed Business within 6 months of the signing of the Franchise Agreement, we may terminate your franchise. We may grant reasonable extensions of time if you are diligently pursuing a location for the Licensed Business.

Computer Software

We require You to use certain computer equipment and software. You may select any computer hardware that meets or exceeds Our current minimum requirements. You are responsible to maintain and repair Your hardware and to update or upgrade Your software. We may recommend or require additional hardware. We may require You to purchase specified point of sale or register equipment and software and/or portable hand-held devices. We currently require You to use the following computer hardware and software:
Notes:

1. We do not provide any support for computer hardware or Software operated on your computer systems.
2. **STEM BUILDERS LEARNING CENTER** uses multiple third-party software for center management. We are not obligated to provide support or upgrades to this program or its replacement program. If upgrades or support for this program are required, this will be provided by the vendor at an additional cost.
3. We require that You enter into a service agreement with **Calimatic technologies** for Center/Learning management software and updates. We have no contractual obligation to provide support for this software. The current monthly negotiated cost for software is as per below.

   0 to 15 Students - $30 per month

   15 to 50 Students - $30 plus $2 per student per month

   51 to 100 Students - $100 plus $1 per student per month

   Pricing to be negotiated with the vendor for above 100 students.

   You are obligated by the Franchise Agreement to use this software. We have used **Calimatic software** in all our franchise stores since June 2019.
4. We currently require Cable, DSL or Fiber Optic Internet connection that is always on. We recommend that You obtain your Internet access from a major supplier.
5. We have no contractual obligation to provide support for Microsoft software, Adobe Software, Intuit Software, or other 3rd party vendors of required software programs. You may be able to obtain support from Your computer hardware manufacturer or directly from Microsoft. We have no contract with Microsoft or with any hardware manufacturer to provide You with service or support. We cannot estimate the cost of updates and upgrades and there is no limit to the frequency with which you may require them or the amount of the cost. Those factors are determined by Microsoft pricing and service policies. We have used versions of

these software programs in Our offices continuously since May 2016. We have not approved any alternative software at this time.

6. Although We require You to have a computer which runs the required software. We do not impose additional technical requirements at this time except that Your computers must be less than one year old at the time You begin using it in the Licensed Business. We may, in the future, impose additional requirements on new or replacement computer hardware. Based upon current market prices, You should be able to obtain an adequate new computer for less than $1000.00, including monitor, keyboard, mouse, printer and other peripheral devices. You must install and use upgrades and replacement equipment when We require it, which We may do at any time. There is no contractual limit on how much an upgrade would cost. The list of all hardware required along with cost is mentioned in table below.

7. The required computer hardware and software will assist you in gathering, analyzing, and reporting data and service results. The required computer hardware and software will also collect and make available to You and to Us extensive information about your business, including purchases, customer data, inventory, receipts, cost of goods, profitability and expenses, including payroll and employee expense and scheduling. Under the Franchise Agreement, We have unlimited independent access to the information for any proper purpose under the Agreement. Unless otherwise required by law, We will not provide the information to any other person except in summary or statistical formats—and with your identifying information removed.

Item 12. Territory

The Franchise Agreement grants you the right to operate one STEM BUILDERS business only within the exclusive territory described below. The Protected Territory is a specific mutually agreed upon marketing area described by zip codes. In designating the Territory, we take into account the demographics of the Territory, as well as the number of public and private schools and other factors related to the operation of a STEM BUILDERS business.

We will grant You an exclusive geographic territory ("Territory") which We will describe in Exhibit B to the Franchise Agreement. If You are not in breach of the Agreement, We will not locate or open a competitive business under the Marks and using the System in Your Territory, either company-owned or franchised, during the term of the Agreement. You are permitted to operate the Franchised Business only at one location and only within Your Territory. There are no restrictions on where customers may come from. You may only engage in direct marketing within your Territory, except with our prior approval.

Neither we nor any affiliate reserves the right to use other channels of distribution, such as the Internet, catalogue sales, telemarketing, or other direct marketing sales, to make sales within the franchisee's territory using Franchisor's principal trademarks or under any other trademarks different from the ones the franchisee will use under the Franchise Agreement.

Our affiliate began offering on-line classes in April 2020. Upon the sale of a territory in which our affiliate has on-line students, the affiliate will immediately cease offering on-line classes to students in the territory and will transfer those students to the franchisee for in-person instruction or for on-line classes if offered by the franchisee. In any event, neither our affiliate nor us will offer services to any student residing in a franchisee's territory.

We have the right to modify Your Territory upon renewal of the Franchise Agreement based on an increase in the population of over 20%, changes in the demographics of the Territory, or such other factors as we reasonably determine.

If you are in full compliance with the Agreement and with the Manual, we may permit you to acquire expansion territory. Expansion territory is adjacent territory that We have not assigned to another franchisee. The current price of such expansion territory will be similar to new Franchise cost. However, the price can be negotiated during the expansion. The purchase price for expansion territory is payable, in full, when You sign an addendum for the expansion territory. We will determine the minimum and maximum

size and configuration of an expansion territory and may impose reasonable conditions, including, but not limited to the opening of a satellite office in the expansion territory.

Except as described above, We and Our affiliate(s) will not establish other franchised or company-owned **STEM BUILDERS LEARNING CENTER** franchisees within Your Territory. Except as described above, We will not alter Your Territory. Your continued Territory rights are not affected by your sales volume, market penetration or any other contingency.

Item 13. Trademarks

We give You the right to use the name "**STEM Builders Learning Center**" and other trade names, trademarks, service marks, trade dress and logos We currently use or which We may adopt or approve (the "Marks") in the Licensed Business. You must follow Our rules when You use the Marks. You may only use the Marks exactly as We specify. You may not use any of the Marks in connection with the offer or sale of any unauthorized product or service.

Our Affiliate, STEM Builders, Inc. has registered the trademark "MOTIVATE TO INNOVATE…STEM BUILDERS LEARNING CENTER" on the Principal Register of the United States Patent and Trademark Office ("USPTO") on June 19, 2018 in Registration Number 5495093.

We do not have a federal registration for our principal trademark, STEM BUILDERS apart from the foregoing registered Mark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We derive our right to license the above Mark to STEM BUILDERS franchisees by virtue of a Trademark/Service mark License Agreement dated March 9, 2021 between STEM Builders, Inc. as licensor and us as licensee (the "License Agreement"). The License Agreement is for a term of twenty (20) years and may be renewed by us. In the event of the termination of the License agreement, Franchise Agreements will be assigned to the licensor.

There are no presently active determinations of the Patent Office, the Trademark Administrator of any state or any court, any pending interference, opposition or cancellation proceeding or any pending material litigation involving the Marks that is relevant to Your ability to use the Marks in connection with the Licensed Business.

There are no agreements that significantly limit Our rights to use or license You to use the Marks in any manner material to the Licensed Business.

You must inform Us if You become aware of any misuse or misappropriation of the Marks or anything confusingly similar. You may not start any litigation relating to the wrongful use of the Marks without Our prior written approval. We may take whatever action We deem appropriate to protect or defend the Marks or System.

If a third party sues You claiming that You are infringing the trademark or trade name of the third party by using the Marks, You must inform Us immediately. We will indemnify You as to that claim only and have the right to control the litigation.

It may become necessary in Our sole discretion, because of trademark litigation, a decision of the Patent and Trademark Office, or otherwise, to change the Marks. In that event, You must immediately adopt the new or revised Marks and Our maximum liability, including for any purported goodwill, is to reimburse You for the actual out-of-pocket costs of changing the principal signs identifying Your Premises.

Under the Franchise Agreement you agree not to contest, directly or indirectly, our ownership, title, right or interest in the name or Marks, trade secrets, methods, procedures and advertising techniques which are part of the System, or contest our sole right to register, use or license others to use such names, marks, trade secrets, methods, procedures, or techniques.

We have the right at any time, on notice to you, to make additions to, deletions from, and changes in the Marks at our absolute discretion. You must adopt and use any and all such additions, deletions, and changes as we may direct at your sole cost and expense.

In connection with your use of the Marks, you must: (i) identify yourself as an independent franchisee of ours in all public records that allow such identification; (ii) place on your business forms and checks the legend "An Independent Franchisee of Stem Builders Learning Center, LLC" or similar language we specify; and (iii) post in a public location at your Business a sign stating that:

> This STEM BUILDERS LEARNING CENTER is independently owned and operated by [your full name] under a franchise agreement with STEM Builders Learning Center, LLC [our then current address], [our then current telephone number].

To the best of our knowledge, there are presently no rights superior to ours in the Marks and there are no infringing uses that could materially affect your use of the Marks in any state.

Item 14. Patents, Copyrights and Proprietary Information

There are no patents or registered copyrights material to the franchise, but we claim copyright protection in many elements of the System including the Confidential Operating Manual and the design elements of the Marks and the content and design of our website (the "Copyrighted Works").

You and your principals and employees also must maintain the confidentiality of all trade secrets, the Standards and other elements of the System; all customer information; all information contained in the manuals; and any other information that we designate as "Confidential Information." Any of your principals who do not sign the Guaranty Agreement attached to the Franchise Agreement as Exhibit G and all employees with access to Confidential Information must sign a Confidentiality and Non-Compete Agreement substantially in the form that we designate, and which is attached to the Franchise Agreement as Exhibit H.

You must promptly notify us of any apparent infringement of, or challenge to, your use of any of the Copyrighted Works or Confidential Information. The Franchise Agreement does not require us to take affirmative action when notified of a claim, or to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving any of the Copyrighted Works or Confidential Information, or if the proceeding was resolved unfavorably to you, but will take whatever action we determine to be appropriate under the circumstances. If we or an affiliate undertake the defense or prosecution of any litigation pertaining to any of the Copyrighted Works or Confidential Information, you must sign all documents and perform such acts as may in the opinion of our counsel, be necessary to carry out the defense or prosecution.

We will have the right at any time, on notice, to make additions to, deletions from, and changes in any item in which we claim common law copyright or registered copyright protection. You must adopt and use all additions, deletions and changes as we direct at your expense.

Item 15. Obligation to Participate in the Operation of the Franchised Business

You must either devote Your full time and effort to managing and operating the Licensed Business or delegate its management or operation to a responsible person. You must reserve and exercise ultimate authority and responsibility over operation and management of the Licensed Business. If You delegate management and operation to a manager, the manager must first successfully complete Our initial training program within sixty days after assuming the role of manager. If You are a corporation or other entity, each owner must personally guaranty the Agreement and the entity must designate a competent manager. We do not require the designated manager to be an equity owner of the franchised business. You must, at all times, employ at least one **STEM Builder Trained Specialist (SBT)**. You must require each manager and employee to whom You disclose our trade secrets to be subject to the trade secrets section of the Franchise

Agreement (Franchise Agreement – Article 5). You must require every manager and employee with access to trade secrets to sign a confidentiality agreement. We do not require the manager to own equity in the franchisee. The current form of confidentiality agreement is Exhibit I to the Franchise Agreement.

Item 16. Restrictions on What the Franchisee May Sell

You may offer for sale only products and services We approve. You must offer STEM Builders Learning Center Enrichment programs including Math Tutoring, Science Labs, Robotics, Coding, summer/spring/winter camps, Scouts badges, birthday parties and other enrichment programs under Marks owned by us or licensed to us by Our affiliate(s) and following Our System and of a type, quality and variety consistent with the **STEM BUILDERS LEARNING CENTER** image. You must obtain Your supplies and equipment from suppliers We select or approve. We have sole discretion in determining what constitutes the **STEM BUILDERS LEARNING CENTER** image. The image is constantly evolving as markets change and evolve. You may not engage in sales through alternative distribution channels or the Internet without Our prior written approval. We are not required to give You such approval.

We may change the Program Curriculum or any part of the Program Curriculum at any time, and as changed it will remain the Curriculum. We own any improvements or changes in the Program Curriculum whether We, You or other franchisees develop them and have the right to adopt and perfect such improvements or changes without compensating You. If We modify the Program Curriculum, You must, at Your own expense, adopt and use the modification(s) as if they were part of the Program Curriculum at the time You signed the Agreement. There are no restrictions on Our right to modify the types of programs and curriculum You will offer except that We will remain primarily a learning center offering Enrichment programs in Math Tutoring, Science Labs, Robotics, Coding, summer camps & birthday parties.

Item 17. Renewal, Termination, Transfer and Dispute Resolution

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

	Provision	Section in Franchise Agreement	Summary
a.	Term of the Franchise	Article 1	5 years.
b.	Renewal or extension of the term	Articles 9 & 10	If You are in good standing and We continue the franchise system in Your area, We may permit You to renew for another term under the then-current agreement, which may be materially different than the agreement We are now offering.
c.	Requirements for You to renew or extend	Articles 9 & 10	Be in good standing with Us, sign new agreement, update or replace software/hardware, retain Premises, give 12 months' notice and pay a fee of $5,000.
d.	Termination by You	Article 18	At any time; upon 90 days' notice; no cause required; sign agreement including general release; and pay fee depending upon whether You want Us to waive the post-term non-compete agreement. For a higher fee, We will agree to not compete with You for a period of time in any territory You had at the time of Termination. See Article 18 and Exhibit L to the Franchise Agreement.

	Provision	Section in Franchise Agreement	Summary
e.	Termination by Franchisor without cause	None	We cannot terminate your franchise without cause
f.	Termination by Franchisor with cause	Article 15	We may terminate only for Good Cause. We may, in lieu of terminating your franchise, terminate your territorial rights and leave your franchise in full force and effect; however, terminating Your territorial rights does not limit Our rights thereafter to terminate your franchise for the same or a different Good Cause.
g.	"Good Cause" defined--defaults which can be cured	Article 15	Failure by the franchisee to substantially comply with the material requirements imposed by the franchisor including, but not limited to: (1) the bankruptcy or insolvency of the franchisee; (2) assignment for the benefit of creditors or similar disposition of the assets of the franchise business; (3) voluntary abandonment of the franchise business; (4) conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchise business; or (5) any act by or conduct of the franchisee which materially impairs the good will associated with any of the following items, whether the franchisor owns such item or is authorized by the owner to use it: trademark, trade name, service mark, logotype or other commercial symbol.
h.	"Cause" defined--defaults which cannot be cured	Article 15	Non-curable defaults: repeated defaults, even if cured; You are adjudged bankrupt; assignment for benefit of creditors; abandonment of business; convicted or plead guilty to violating law relating to Licensed Business.
i.	Your obligations on termination/nonrenewal	Articles 16 & 17	No further use of Marks, telephone numbers, telephone listings, computer software, trade secrets or the Manual; certain notification obligations; payment of sums due to Us; We have option to lease or assume lease for Your Premises; sign document(s) to transfer telephone numbers; continuing royalties on pending sales, if any; and We have option to purchase any part of Your business assets. If We elect to assume Your lease and to operate a STEM BUILDERS LEARNING CENTER business from Your Premises, You must cooperate in a changeover procedure, including notifying the landlord of the change of tenant, conducting an inventory, permitting Us to use Your furniture, fixtures and equipment for up to 60 days, and permitting Us to communicate directly with Your employees, vendors and customers in order to facilitate a smooth transition.
j.	Assignment of contract by Franchisor	Articles 12, 14 & 20	No restriction on Our right to assign except that if Our assignee assumes all of Our obligations to You then We are free of further liability to You.
k.	"Transfer" by You—definition	Articles 11, 12, 13 & 14	Includes any assignment, transfer, sale, sublease or encumbrance of the Agreement, the Franchise, the assets of Your business, the Premises, or of any ownership interest in the Franchisee if You are a corporation, partnership or limited liability company or other form of Entity.

	Provision	Section in Franchise Agreement	Summary
l.	Franchisor's approval of transfer by franchisee	Articles 11, 12, 13 & 14	Franchisor has the right to approve or disapprove all transfers.
m.	Conditions for Franchisor's approval of transfer	Articles 11, 12, 13 & 14	You are current in all fees to Us; You are not in material breach of the Agreement; You have paid all debts of Your business; new Franchisee signs release of claims against Us for representations You made; You sign a mutual termination and release of the Agreement; We receive transfer fee ($10,000); new Franchisee signs the then-current form of Agreement ; new Franchisee qualifies; new Franchisee successfully completes initial training program; new Franchisee obtains rights to Your Premises lease, if applicable; and We receive 30 day right of first refusal. The fee to transfer to an entity with identical ownership is $1000.
n.	Franchisor's right of first refusal to acquire Your business	Article 12 & 17	We may match any offer for Your business.
o.	Franchisor's option to purchase Your business	Article 17	On termination, We may purchase any part of Your business at the fair market value of the tangible personal property purchased.
p.	Your death or disability	Articles 12 & 13	Your heirs or personal representative must, within 90 days, either (i) request the right to continue to operate the business, subject to Article 13 of the Agreement except that no transfer fee will be payable, or (ii) sell the Licensed Business to a third party, subject to Article 13 of the Agreement. If We deny a request to continue to operate the business, the 90 days to sell begins on the date of Our denial. The same applies if You become disabled as defined in Article 14 of the Agreement.
q.	Non-competition covenants during the term of the franchise	Article 16	No involvement in any competing business as defined by the franchise agreement..
r.	Non-competition covenants after the franchise is terminated or expires	Articles 16	For 24 months from ending the franchise, You must not compete with Us within 50 miles of the boundaries of Your Territory, solicit or divert any of Our customers or vendors or customers or vendors of any other franchisee, disclose any trade secrets, or solicit or hire any of Our employees, former employees or franchisees. For 24 months, You will not be employed by or in business with any person or entity that does any of those things.
s.	Modification of the agreement	Article 20	Only by written agreement; We may modify Manual at any time.
t.	Integration/merger clause	Article 20	Only the terms of the Agreement are binding (subject to state law). Any other promises or agreements may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Article 18	Except for actions for the sole purpose of collecting unpaid monies, including franchise fees, royalties or Marketing Fees or to enforce trademark or trade secret rights and covenants against competition, We will settle all disputes with You by Arbitration, which will only occur after the parties try informally to resolve the dispute and participate in mediation.

	Provision	Section in Franchise Agreement	Summary
v.	Choice of forum	Articles 18 & 20	Litigation or arbitration must be in the state of **Minnesota**. (Subject to state law)
w.	Choice of law	Article 20	The law of the state of Minnesota applies. (Subject to state law)

Item 18. Public Figures

We do not currently use any public figure to promote Our franchise.

Item 19. Financial Performance Representations

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

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 **STEM BUILDERS LEARNING CENTER**, 16400 61ST AVE N, Plymouth MN, 55446, and 763-205-0488, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20. Outlets and Franchisee Information

Table 1: System wide Outlet Summary

For years 2018 to 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	0	2	+2
	2019	2	3	+1
	2020	3	4	+1
Company Owned	2018	2	2	0
	2019	2	2	0
	2020	2	0	-2

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Total Outlets	2018	2	4	+2
	2019	4	5	+1
	2020	5	4	-1

Table 2: Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)

For years 2018 to 2020

State	Year	Number of Transfers
MN	2018	0
	2019	0
	2020	1
TN	2018	0
	2019	0
	2020	1
TOTAL	2018	0
	2019	0
	2020	2

Status of Franchised Outlets

Table 3: Status of franchised outlets
For years 2018 to 2020

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
Tennessee	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	1	1
Minnesota	2018	1	1	0	0	0	0	2
	2019	2	1	0	0	0	0	3
	2020	3	0	0	0	0	0	3
Totals	2018	2	2	0	0	0	0	4
	2019	4	1	0	0	0	0	5
	2020	5	0	0	0	0	1	4

Table 4: Status of Company-Owned Outlets

For years 2018 to 2020

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Tennessee	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0
Minnesota	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	1	0
Totals	2018	2	0	0	0	0	2
	2019	2	0	0	0	0	2
	2020	2	0	0	1	1	0

Table 5: Projected Openings As of December 31, 2020

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In The Next Fiscal Year
Minnesota	0	0	0
Other	0	5	0
Totals	0	5	0

The address and contact information of the franchisees is listed in Attachment C.

There have been no franchisees who have not communicated with the franchisor within 10 weeks of the issuance date of the Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There have been franchisees who signed confidentiality clauses during the last three fiscal years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with STEM Builders Learning Center. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations associated with the franchise system being offered.

Item 21. Financial Statements

Attachment A contains Our Audited Financial Statements for the periods ending December 31st, 2020, December 31, 2019, and December 31, 2018. Our fiscal year ends on December 31.

Item 22. Contracts

We urge You to read all of the contracts and agreements carefully. This Franchise Disclosure Document cannot possibly contain all of the terms of the various agreements. It is important that You understand all of those terms. We have attached the following contracts and agreements:

Attachment B - Franchise Agreement

with:

Exhibit A: Entity Information and Location of Licensed Business
Exhibit B: Authorization for Electronic Funds Transfer
Exhibit C: Required Hardware and Software;
Exhibit D: Items Subject to Specifications
Exhibit E: Lease Conditional Assignment Agreement
Exhibit F: Assignment of Telephone Numbers
Exhibit G: Personal Guaranty
Exhibit H: Trade Secrets and Confidentiality Agreement For Employees
Exhibit I: Mutual Termination and Release Agreement
Exhibit J: Consent, Waiver and Release for Training
Exhibit K: Confidentiality Agreement—Additional Information

Item 23. Receipt

A receipt for this Franchise Disclosure Document is attached as Attachment I. You must remove one copy, sign it and return it to Us.

Attachment A – Financial Statements

FY2020 & FY2019

STEM BUILDERS LEARNING CENTER, LLC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

STEM BUILDERS LEARNING CENTER, LLC. FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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Independent Auditors' Report

To the Board of Directors and
Members Stem Builders Learning
Center, LLC.

We have audited the accompanying financial statements of Stem Builders Learning Center, LLC., which comprise the Balance Sheets as of December 31, 2020 and 2019, and the related statements of operation and members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stem Builders Learning Center, LLC. as of December 31, 2020 and 2019, and the results of its operations and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Pembroke Pines, Florida
March 31, 2021

STEM BUILDERS LEARNING CENTER, LLC.
BALANCE SHEET
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 55,111	$ 9,040
Prepaid expenses	5,690	5,690
Total Current Assets	60,801	14,730
Fixed Asset	55,604	61,565
Total Assets	**$ 116,405**	**$ 76,295**
LIABILITIES AND MEMBER'S EQUITY		
LIABILITIES		
Accounts Payables and Accruals	$ 622	$ 1,794
Deferred revenue	8,300	8,300
Other liabilities	100	100
Total Current Liabilities	9,022	10,194
Deferred revenue	17,908	26,208
Total Liabilities	**26,930**	**36,402**
Member's Equity	89,475	39,893
	89,475	39,893
Total Liabilities and Member's Equity	**$ 116,405**	**$ 76,295**

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

STEM BUILDERS LEARNING CENTER, LLC.
STATEMENT OF OPERATIONS AND MEMBER'S EQUITY
FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019

	2020	2019
REVENUE		
Royalties	$ 19,999	$ 7,000
Franchise Fees	8,300	5,900
Training Fees and Other Income	11,146	4,312
Total Revenue	39,445	17,212
EXPENSES		
Operating Expenses	35,328	24,818
Total Expenses	35,328	24,818
NET INCOME (LOSS)	4,117	(7,606)
Member's Equity - Beginning of Year	39,893	54,910
Contributions	85,465	4,312
Distributions	(40,000)	(11,723)
Member's Equity - End of Year	**$ 89,475**	**$ 39,893**

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

STEM BUILDERS LEARNING CENTER, LLC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	$ 4,117	$ (7,606)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	5,961	$ 5,961
(Increase) Decrease in Assets		
Due from related party	-	-
Prepaid expense		(66)
Increase (Decrease) in Liabilities		
Accounts payables and accrued liabilities	(1,172)	(2,775)
Deferred revenues	(8,300)	5,600
National marketing deposit	-	-
Net Cash Provided by Operating Activities	606	1,114
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(2,898)
Net Cash Used in Investing Activities	-	(2,898)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from member contributions	85,465	4,312
Member Distributions	(40,000)	(8,629)
Net Cash Provided by (Used in) Financing Activities	45,465	(4,317)
CHANGE IN CASH AND CASH EQUIVALENTS	46,071	(6,101)
Cash and Cash Equivalents - Beginning of Year	9,040	15,141
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 55,111**	**$ 9,040**

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

STEM BUILDERS LEARNING CENTER, LLC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 1 - Summary of Significant Accounting Policies

Nature of Operations

Stem Builders Learning Center, LLC. (the Company) was formed to ignite passion and enthusiasm for STEM (Science, Technology, Engineering, Math) in every student. The Company provide education by bringing STEM to life in a fun and interactive way. The curriculum is aimed to develop life skills and improve students' knowledge.

Basis of Accounting

The Company's financial statements have been prepared on the accrual basis of accounting and are prepared in accordance with the accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

For purposes of the financial statements, The Company considers all assets with a maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) which requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fixed Assets

Fixed Assets are stated at cost. Depreciation is computed using the accelerated cost recovery and modified cost recovery methods allowable under the Internal Revenue Code. The recovery periods being used are 5 and 7 years for furniture, fixtures and equipment and 39 years for non-residential real estate.

Income Taxes

The Company has elected to be treated as a Limited Liability Company for federal and state income tax purposes. All income or loss flows through to the individual owner who reports the income or loss on his individual tax returns. Therefore, no provision or liability for income taxes has been included in the financial statements.

The Company follows the income tax standards for uncertain tax positions. The Company recognized no liability for uncertain tax positions for the year ended December 31, 2020.

STEM BUILDERS LEARNING CENTER, LLC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue recognition

Franchise fee revenue is recognized when all material services or conditions relating to the sale of the franchise have been substantially performed or satisfied. The Company has substantially satisfied all of these conditions at the beginning of franchise operations. When franchise fees have been received but not all conditions have been substantially satisfied to be recognized as revenue, the franchise fee amount is included in deferred revenue. Continuing franchise royalties are based on a defined percentage of franchise revenues and are recognized when earned.

The Company determines revenue recognition through the following steps:

- *Identification of the contract or contracts with a customer;*
- *Identification of the performance obligations in the contract;*
- *Determination of the transaction price;*
- *Allocation of the transaction price to the performance obligations in the contract, and*
- *Recognition of revenue when or as the Company satisfies the performance obligations.*

The Company has three distinct revenue streams:

- Initial franchise fees
- Royalties
- Supply sales

Franchise agreements have terms of five years. These agreements convey renewal terms provided the franchisee is in good standing and meets all criteria stated in the franchise agreement. The Company permits the use of STEM Builders Learning Center trademarks and provides a wide range of services, including, but not limited to, training (initial and ongoing), preopening assistance, and management assistance of up to 10 hours a month in exchange for the initial franchise fee. The initial franchise fee is recognized over the five year term of the franchise agreement. The franchise agreement also requires the franchisee to pay royalty payments of $500 per month. Sales of supplies or any other related products are generally recognized upon shipment to franchisees.

Sales and other taxes collected from customers that are remitted to governmental authorities are excluded from revenues.

The Company has elected to expense the incremental costs incurred to obtain a contract, as the amortization period is less than a year.

STEM BUILDERS LEARNING CENTER, LLC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Accounts receivables

Credit terms are extended to customers in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial conditions and generally requires no collateral. Accounts receivable are recorded at their estimated net realizable value, net of an allowance for doubtful accounts. The Company's estimate of the allowance for doubtful accounts is based upon historical experience, its evaluation of the current status of receivables, and unusual circumstances, if any. Accounts are considered past due if payment is not made on a timely basis in accordance with the Company's credit terms. Accounts considered uncollectible are written off against the allowance. The Company has no outstanding accounts receivable as of December 31, 2020 and 2019 respectively.

Restricted National Marketing Fund

The Company has a system wide marketing and advertising fund. All franchisees will be required to pay the Company a monthly $100 fee for the Company's national marketing fund. The Company may reduce or discontinue the national marketing fee at any time and may, thereafter, reinstate it upon a new 30 day notice. The Company may increase the national marketing fee up to $250 per month with 60 days written notice.

National marketing fund, net, included as an asset on the Balance Sheet, includes funds spent on system-wide marketing and advertising in excess of funds collected.

Marketing deposit included as a liability on the Balance Sheet includes marketing prepayments of money collected from franchisees, in excess of funds spent on system-wide marketing.

Local Cooperative Marketing Fund

The franchisee is also required to spend at least $300 per month on local and cooperative marketing. Local marketing expenditures are to be in addition to the national marketing fees paid. The Company may direct franchisees to deposit some or all of local marketing expenditures into a local marketing cooperative.

Franchise Agreements

The Company anticipates performing the following under the terms of its offering franchise agreements:

- Coordinate an advertising program for all franchisees;
- Maintain and advertising fund from which advertising costs are to be disbursed;
- Provide an initial training program for each new franchisee and supply them with operations manuals;

Note 1 - Summary of Significant Accounting Policies (Continued)

Franchise Agreements (Continued)

- Inspection of franchise stores;
- Provide periodic training courses for all franchisees; and
- Make lists of approved suppliers available to franchisees.

Note 2 – Fair Value Measurements

The Company reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1. Quoted prices for identical assets or liabilities in active markets to which the Company has access at measurement date.

- Level 2. Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

I. quoted prices for similar assets or liabilities in active markets;

II. quoted prices for identical or similar assets in markets that are not active;

III. observable inputs other than quoted prices for asset or liability (for example, interest rates and yield curves); and

IV. inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3. Unobservable inputs for asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available. When available the Company measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. The primary use of fair value measures in the Company's financial statements is the initial measurement of cash and cash equivalents.

Note 3 - Commitments and Contingencies

The Company records accruals for contingencies when it is possible that a liability will be incurred, and the amount of loss can be reasonably estimated based on historical claim activity and loss

development factors. There can be no assurance there will not be an increase in the scope of these matters or that any future or pending lawsuits, claims, proceedings, or investigations will not be material.

NOTE 5- Fixed Assets, net

Fixed Assets, net and their estimated useful lives consist of the following at December 31,:

	2020	2019	Estimated Lives
Leasehold improvements	$ 58,020	$ 58,020	5 years
Furniture and equipment	11,241	11,241	5 years
	69,261	69,261	
	13,657	7,696	
	$ 55,604	**$ 61,565**	

Depreciation expense for fixed assets, net was approximately $6,000 and $6,000 for the years ended December 31, 2020 and 2019, respectively.

Note 5 – Risks and Uncertainties

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Company, its performance, and its financial results.

Note 6 - Subsequent Events

The Company did not have any other subsequent events through March 31, 2021, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended December 31, 2020.

STEM Builders Learning Center LLC

Minneapolis, Minnesota

Financial Statements

December 31, 2018 and April 9, 2018

BOULAY

STEM BUILDERS® Learning Center

FY2018

STEM Builders Learning Center LLC

Minneapolis,

Minnesota Financial

Statements

December 31, 2018 and April 9, 2018

STEM Builders Learning Center LLC

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Independent Auditor's Report

To the Stockholders

STEM Builders Learning Center LLC Minneapolis, Minnesota

We have audited the accompanying financial statements of STEM Builders Learning Center LLC (the "Company"), which comprise the balance sheets at December 31, 2018 and April 9, 2018, the related statements of operations, changes in member's equity and cash flows for the period from April 9, 2018 (date of funding) to December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and April 9, 2018 and the results of its operations and cash flows for the period from April 9, 2018 (date of funding) through December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

Minneapolis, Minnesota December 10, 2019

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STEM Builders Learning Center LLC

Balance Sheets

	December 31, 2018	April 9, 2018
Assets		
Current assets		
Cash	$ 15,141	$ 20,000
Due from related party	3,094	-
National marketing fund, net	5,624	-
Total current assets	23,859	20,000
Property and equipment, net	64,628	-
Total Assets	$ 88,487	$ 20,000
Liabilities And Member's Equity		
Current liabilities		
Accounts payable	$ 4,569	$ -
Deferred revenue	6,400	-
Marketing deposit	100	-
Total current liabilities	11,069	-
Deferred revenue	22,508	-
Member's equity	54,910	20,000
Total Liabilities And Member's Equity	$ 88,487	$ 20,000

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

STEM Builders Learning Center LLC

Statement of Operations

For the Period from April 9, 2018 (date of funding) through December 31, 2018

Revenue		
Franchise fee	$	1,092
Royalties		1,500
Supply sales		7,813
Total revenues		10,405
Cost of revenues		7,785
Gross profit		2,620
Operating expenses		
General & administrative expenses		15,180
Depreciation and amortization		1,735
Total operating expenses		16,915
Operating loss		(14,295)
Net Loss	$	(14,295)

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

STEM Builders Learning Center LLC

Statement of Changes in Member's Equity

		Member's Equity
Balance at April 9, 2018	$	20,000
Contributed capital		50,286
Distributions		(1,081)
Net loss		(14,295)
Balance at December 31, 2018	$	54,910

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

STEM Builders Learning Center LLC

Statement of Cash Flows

For the Period from April 9, 2018 (date of funding) through December 31, 2018

Cash Flows from Operating Activities		
Net loss		$ (14,295)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation		1,735
Changes in operating assets and liabilities:		
Due from related party		(3,094)
National marketing fund, net		(5,624)
Accounts payable		4,569
Deferred revenue		28,908
National marketing deposit		100
Net cash provided by operating activities		12,299
Cash Flows from Investing Activities		
Capital expenditures		(66,363)
Net cash used in investing activities		(66,363)
Cash Flows from Financing Activities		
Capital contribution		50,286
Distributions paid to stockholders		(1,081)
Net cash provided by financing activities		49,205
Net Decrease in Cash		(4,859)
Cash - Beginning of Year		20,000
Cash - End of Year	$	15,141

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

1. Summary of Significant Accounting Policies

Nature of Business

STEM Builders Learning Center LLC (the "Company") operates a franchising business for STEM learning centers. At December 31, 2018, there were two franchise locations. In addition, there is one corporate location, whose financial results are not included within these financial statements. The Company is currently in the process to be licensed to sell franchises in the state of Minnesota and Tennessee. The Company was organized in the state of Minnesota in April 2018.

Accounting Estimates

Management uses estimates and assumptions in preparing this financial statement in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash

The Company maintains its accounts primarily at one financial institution. At times throughout the year, the Company's cash balance may exceed amounts insured by the Federal Deposit Insurance Corporation.

Accounts Receivable

Credit terms are extended to customers in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial conditions and generally requires no collateral. Accounts receivable are recorded at their estimated net realizable value, net of an allowance for doubtful accounts. The Company's estimate of the allowance for doubtful accounts is based upon historical experience, its evaluation of the current status of receivables, and unusual circumstances, if any. Accounts are considered past due if payment is not made on a timely basis in accordance with the Company's credit terms. Accounts considered uncollectible are written off against the allowance. The Company has no outstanding accounts receivable at December 31, 2018.

Property and Equipment

Property and equipment is carried at cost. Depreciation is calculated using the straight-line method over estimated useful lives ranging from five to fifteen years. Depreciation expense was approximately $2,000 for 2018.

The Company is amortizing the leasehold improvements over the useful lives of the assets. The Company is using space provided by the owner of the Company. The Company, however, intends to lease and occupy the facility for the remaining lives of the leasehold improvements.

Franchise Revenue Recognition

Franchise agreements have terms of five years. These agreements convey renewal terms provided the franchisee is in good standing and meets all criteria stated in the franchise agreement. The

Company permits the use of STEM Builders Learning Center trademarks and provides a wide range of services, including, but not limited to, training (initial and ongoing), preopening assistance, and management assistance of up to 10 hours a month in exchange for the initial franchise fee. The initial franchise fee is recognized over the five year term of the franchise agreement. The franchise agreement requires the franchisee to pay royalty payments of $500 per month.

1. Summary of Significant Accounting Policies (Continued)

Restricted National Marketing Fund

The Company has a system-wide marketing and advertising fund. All franchisees will be required to pay the Company a monthly $100 fee for the Company's national marketing fund. The Company may reduce or discontinue the national marketing fee at any time and may, thereafter, reinstate it upon a new 30 day notice. The Company may increase the national marketing fee up to $250 per month with 60 days written notice.

National marketing fund, net, included as an asset on the Balance Sheet, includes money spent on marketing and advertising in excess of money collected.

Marketing deposit included as a liability on the Balance Sheet includes marketing prepayments of money collected from franchisee's.

Local Cooperative Marketing Fund

The franchisee is also required to spend at least $300 per month on local and cooperative marketing. Local marketing expenditures are to be in addition to the national marketing fees paid. The Company may direct franchisees to deposit some or all of local marketing expenditures into a local marketing cooperative.

Income Taxes

The Company elected under the Internal Revenue Code and comparable state laws to become a limited liability company. Primarily due to the limited liability company tax status, the Company does not have any significant tax uncertainties that would require recognition or disclosure. As the Company was incorporated in 2018, no income tax returns are subject to examination.

Recently Issued Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") has issued standards to provide principles within a single framework for revenue recognition of transactions involving contracts with customers across all industries. These standards are effective for the Company as of January 1, 2019.

These standards require that the transaction price received from customers be allocated to each separate and distinct performance obligation. The transaction price attributable to each separate and distinct performance obligation is then recognized as the performance obligations are satisfied. The services we provide related to upfront fees we receive from franchisees such as initial or renewal fees do not contain significant separate and distinct performance obligations from the franchise right and thus those upfront fees will be recognized as revenue over the term of each respective franchise agreement.

These standards will have an impact on transactions currently not included in our net sales and expenses such as franchisee contributions to and subsequent expenditures from restricted national marketing funds that we will be required to include in our operations.

Subsequent Events

The Company has evaluated subsequent events through December 10, 2019, the date which the financial statement was available to be issued.

2. Franchise Agreements

The Company anticipates performing the following under the terms of its offering franchise agreements:

- Coordinate an advertising program for all franchisees;
- Maintain an advertising fund from which advertising costs are to be disbursed;
- Provide an initial training program for each new franchisee and supply them with operations manuals;
- Inspection of franchise stores;
- Provide periodic training courses for all franchisees; and
- Make lists of approved suppliers available to franchisees.

3. Member's Equity

The Company has one owner who contributed $20,000 in April 2018 for 100% ownership in the Company. Additional capital contributions of approximately $50,000 were made in the remaining part of 2018.

4. Property and Equipment

Property and equipment consists of the following at December 31,2018:

	2018	
Leasehold improvements	$	58,020
Furniture and fixtures		8,343
		66,363
Less: Accumulated depreciation		1,735
Totals	$	64,628

Depreciation expense for 2018 was approximately $2,000.

5. Due from Related Party

The Company has a receivable from a related party for $3,094 at December 31, 2018.

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Chapter 1 - Franchise Agreement

Franchise Agreement No.: _____

DATED: _____ ("Effective Date")

BETWEEN: **STEM Builders Learning Center**

LLC ("Franchisor") + AND: **(Owner)**

("Franchisee") **(Owner)** -

TERRITORY: See Exhibit A

RECITALS

WHEREAS Franchisor has developed a unique system for providing Science Technology Engineering Math enrichment education and tutoring services to elementary, middle and high school students operating under the Marks and using the System (hereinafter the "System");

WHEREAS Franchisor has the right to license the Mark, "STEM Builders Learning Center – Motivate to Innovate" and related logos and marks and trade dress as more fully described in this Agreement (hereinafter the "Marks"), and Franchisor has secured all necessary authorizations to use the Marks and to authorize Franchisee to use the Marks;

WHEREAS, as between Franchisor and Franchisee, Franchisor or its Affiliate(s) are the sole and exclusive owner(s) of all goodwill associated with and to become associated with the Marks, the value of which Franchisee acknowledges;

WHEREAS Franchisee recognizes the advantages and value of the System and Marks and desires to obtain a license for a "STEM Builders Learning Center" business (hereinafter the "Licensed Business");

WHEREAS Franchisee recognizes the necessity and value of maintaining high standards and uniformity of appearance, image, products, services and customer relations in conformity with the System as Franchisor may reasonably modify it from time to time;

WHEREAS Franchisee is aware of the risks, business and otherwise, associated with owning an STEM Builders Learning Center Licensed Business and has independently evaluated those risks without relying upon any representations from Franchisor or Franchisor's agents regarding revenues, profits or probability of success, excepting only those representations and accompanying cautions contained in Franchisor's Franchise Disclosure Document—revenues, profits or probability of success being affected primarily by factors beyond Franchisor's control, including Franchisee's skill, personality, diligence and dedication and general regional or local economic or demographic conditions; and

WHEREAS, Franchisor, in reliance upon Franchisee's representations, is willing to provide certain training and other services and to grant a license, but only on the terms of this Agreement, which terms Franchisee understands and accepts and both parties acknowledge to be reasonable and material;

NOW THEREFORE, for and in consideration of the mutual covenants herein set forth, and other good and valuable consideration, the receipt and sufficiency of which each party hereby acknowledges, and each party fully intending to be legally bound hereby, Franchisor and Franchisee mutually agree as follows:

Article 1 - License And System

1.01 Grant Of License.

1.01.01 Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee a non- exclusive license to operate one (1) STEM Builders Learning Center using the System and Marks for a period of five(5) years from and after the Effective Date of this Agreement, said location to be located only at the location specified in Exhibit A hereto, or at such other location within the Territory as Franchisor may approve in writing. Franchisee, based upon Franchisee's own research and knowledge, shall select a location within 180 days after signing this Agreement and that location shall be accurately stated in Exhibit A. Franchisee shall not move Franchisee's Premises without Franchisor's prior written approval. Subject to Franchisee complying with applicable laws and ordinances, Franchisee may have a home office for conducting STEM Builders Franchisee business activities, provided that no STEM Builders classes or training is held at the Franchisee's home office.

1.02 Location And Territory.

1.02.01 Franchisee's STEM Builders Learning Center shall be the only STEM Builders Learning Center to operate within the geographical territory described in Exhibit A hereto (the "Territory"). Franchisee shall have exclusivity in the Territory. Franchisor will not locate or open a competitive STEM Builders Learning Center office in the Territory, either company-owned, affiliate-owned, or franchised, during the term of this Agreement, so long as Franchisee is not in breach of this Agreement. Franchisor may not offer products or services under the Marks or under any other marks that are competitive with the Licensed Business in the Territory or through the use of any alternative distribution methods including through catalogues, mail, through electronic media, including television, radio, the "internet" or in any other manner. There shall be no geographic restrictions upon where customers may come from for any STEM Builders Learning Center office, company-owned or franchised. Franchisee shall not distribute or publish

advertising or otherwise market outside Franchisee's territory except in compliance with this Agreement and the Manual.

1.02.02 Modifications of Territory. Provided that Franchisee is not in default, Franchisor shall not have the right to modify franchisee's Territory during the Term.

1.02.03 On-Line Instruction. In addition to conducting in-person instruction from the premises of the Licensed Business, Franchisee may implement a program of on-line instruction that must be limited to students who reside in Franchisee's Territory. The curriculum for the on-line program must be approved by Franchisor prior to its use by Franchisee and must comply with Franchisor's System standards.

1.02.04 Expansion Territory. Subject to Franchisor's prior written approval, if Franchisee is in full compliance with this Agreement and the Manual, Franchisee may be permitted to acquire additional adjacent territory that has not been assigned to another franchisee. The current price of such expansion territory will be similar to new Franchise cost. However, the price can be negotiated during the expansion. The purchase price for expansion territory is payable, in full, upon the signing of an addendum granting the expansion territory to Franchisee. Franchisor, in its sole discretion shall determine the minimum and maximum size and configuration of an expansion territory and may impose reasonable conditions, including, but not limited to the opening of a satellite office in the expansion territory.

1.03 Licensed Business.

1.03.01 The term "Licensed Business" means a STEM Builders Learning Center location in which the Franchisee engages in the business of providing Science Technology Engineering Math enrichment education and tutoring services to elementary, middle and high school students**.** Franchisee will provide these services to both elementary, middle and high school students, operating under the Marks and using the System (hereinafter the "System"). Franchisor shall have the right to add or delete or change programs and service offerings at any time and Franchisee agrees to comply with such changes in a reasonable time as per mutual agreement when the change is announced. But not later than three months from the time the change is introduced.

1.04 System And Marks.

1.04.01 Franchisee agrees to operate the Licensed Business only according to the System and only under the Marks pursuant to the Manual. Franchisee acknowledges that Franchisor or its Affiliate(s) own all rights to the System and the Marks and Franchisee has only such rights as this Agreement grants. For purposes of this Agreement, the "System" includes the rights and obligations set forth in this Agreement, the Operating Manual furnished to the Franchisee as amended from time to time, Franchisor's name, training, formulas, methods of operation, reputation, advertising, system and similar benefits pursuant to which the Franchisee operates the Licensed Business. Franchisor's unique trade dress is part of the Marks.

1.04.02 Unless otherwise first approved by Franchisor in writing or unless otherwise required by applicable law, Franchisee agrees to do business only under the name "STEM Builders Learning Center ". Franchisee shall not use the Marks in any manner not specifically approved by Franchisor, including, without limitation, as part of any domain name or other address on any portion of the Internet or any new medium, including as part of any meta tag(s) or similar use.

1.04.03 Franchisee shall immediately notify Franchisor, in writing, if Franchisee learns of any attempt by any person to infringe the Marks or to wrongfully appropriate the System or any

part of it. Franchisor may, in its sole discretion, take whatever action it deems appropriate to protect or defend the Marks or System. Franchisee agrees to fully cooperate with Franchisor in any action anticipated by or taken by or on behalf of Franchisor. Franchisee understands that it may become necessary, in Franchisor's sole discretion, to change, totally or in part, the Marks, as a result of litigation or otherwise. In that event, Franchisee agrees to immediately adopt the new or revised Marks, and Franchisor's maximum liability, including for any purported goodwill, shall be to reimburse Franchisee the actual out-of-pocket costs of changing the principal signs identifying the Premises. This section shall not be construed to limit Franchisor's obligations as described in the addendum to this Agreement entitled "State of Minnesota Franchise Agreement Addendum."

1.04.04 Franchisor may change the System or any part of the System at any time, and as changed it shall remain the System pursuant to this Agreement. Franchisor or its Affiliate(s) shall own any improvements or changes in the System whether developed by Franchisor, by Franchisee or by other franchisee(s) and shall have the right to adopt and perfect such improvements or changes without compensation to Franchisee or other franchisees. If Franchisor modifies the System, Franchisee shall, at Franchisee's own expense except to the extent specifically provided in this Agreement, adopt and use such modification(s) as if it were part of the System at the time of execution of this Agreement. As a Franchisee you need to adapt to these changes at the earliest but within three months from announcing of the changes. After which support to older system will be stopped and could result in additional cost to adapt to newer system.

1.04.05 Franchisee agrees to operate no other business whatsoever in or about the Premises of the Licensed Business or otherwise in connection with the System or Marks without first obtaining Franchisor's written approval; provided that, Franchisee may provide any service(s) or product(s) permitted according to the Manual. Franchisee acknowledges that Franchisor owns, in connection with the Marks, all goodwill associated with or to become associated with the telephone numbers and telephone listings and agrees to execute an Assignment of Telephone Numbers in the form of Exhibit F, attached.

1.05 Manual.

Franchisor agrees to loan to Franchisee a printed STEM Builders Operations Manual (the "Manual") during the term of this Agreement, together with such updates and modifications as Franchisor may from time to time provide to Franchisee. Franchisor may make any changes or modifications in the Manual as in Franchisor's sole judgment are desirable. Franchisee agrees that if there should, at any time, be a discrepancy between the terms of Franchisee's copy of the Manual and the master copy maintained in Franchisor's offices, the terms of the master copy shall prevail. Franchisee agrees, at all times, to conform to the Manual in all respects including to obtain any equipment, fixtures, personnel or technology necessary to do so. The Manual is and shall at all times remain the property of Franchisor and shall be returned to Franchisor upon expiration, termination or nonrenewal of this Agreement for any reason. Franchisee agrees not to make it available to or permit another to make any copies of the Manual or any portion thereof without Franchisor's prior written consent. Franchisee acknowledges and agrees that the fair value of the Manual is at least Five Thousand Dollars ($5,000.00).

Article 2 - Franchise Fees And Advertising

2.01 Initial Fee.

The Initial Fee for the STEM Builders Learning Center Franchise is Twenty-Five Thousand Dollars ($25,000.00). The Initial Fee shall be paid as stated in the Licensee's Application Agreement

attached hereto as Exhibit A. The Initial Fee is not refundable for any reason except if through no fault of Franchisee, Franchisor determines that Franchisee has not successfully completed the initial training, in which case Franchisor will refund one half of the Initial Fee.

2.02 Royalties.

Franchisee shall pay to Franchisor a monthly royalty in an amount equal to the greater of 7% of Franchisee's Gross Revenues, or $500.00 payable without setoff. The royalties are payable monthly by Electronic Funds Transfer. Funds must be in Franchisee's designated bank account in time so that Franchisor can obtain them on or after close of business on 5th of the Month. Franchisor may, upon thirty (30) days prior written notice require Franchisee to pay Royalties by check, pre-authorized check, electronic funds transfer or other mechanism or to pay on a different periodic basis. If Franchisee owns more than one STEM Builders Learning Center franchise, Franchisee shall report and pay royalties for each franchise independently, unless otherwise directed by Franchisor. Royalty dues will begin only after 90 days (3 Months) of opening the Franchise location for business.

2.03 National Brand Fund Fee.

2.03.01 Franchisee shall pay to Franchisor a monthly National Brand Fund Fee in the amount equal to the greater of 2% of Gross Revenue, or $100.00 per month, payable without setoff. Franchisor may reduce or discontinue the National Brand Fund Fee at any time and may, thereafter, reinstate it upon a new thirty-day Notice. Franchisee shall pay the National Brand Fund Fee at the same time and in the same manner as Royalties. If Franchisee owns more than one STEM Builders Learning Center franchise, Franchisee shall report and pay the National Brand Fund Fee for each franchise independently, unless otherwise directed by Franchisor. National Brand Fund Fee will begin only after 90 days (3 Months) of opening the Franchise location for business.

2.03.02 Franchisor may, in Franchisor's sole discretion, upon at least sixty days prior written notice, increase the minimum National Brand Fund Fee up to a maximum of $250.00 per month.

2.03.03 Franchisor shall maintain all National Brand Fund Fees collected, net of any taxes Franchisor is required to pay on account of having collected the National Brand Fund Fees, in one or more bank accounts separate from Franchisor's regular account(s). Franchisee authorizes Franchisor to commingle Franchisee's National Brand Fund Fees with those paid by other Franchisees. Franchisor will provide an unaudited annual accounting to all Franchisees as to the aggregate amount of National Brand Fund Fees collected and their use and application by general category, which accounting will be prepared within ninety days following the end of Franchisor's fiscal year. Franchisee acknowledges and agrees that each such accounting is a Trade Secret and shall be treated as such according to this Agreement. Except as herein specifically provided, Franchisee waives all compliance with the Uniform Trust Accounting Act and related or similar laws to the broadest extent permitted by law.

2.03.04 Franchisor shall use National Brand Fund Fees collected, net of taxes and governmental fees, for advertising, marketing and promotion for the benefit of Franchisor's System. Selection of marketing, advertising and promotion location, scope, content, copy, timing and approach shall be by Franchisor and in Franchisor's sole discretion. Franchisor may use some of the funds, in its discretion, for market research, production and administration of the advertising program. Franchisor will attempt to benefit all of Franchisor's franchisees through the marketing program over all; however, not every element of the marketing and promotion program will necessarily directly benefit any specific franchisee. In making its marketing decisions,

Franchisor will consider but not be bound by advice from any advisory committee(s) of franchisees recognized by Franchisor.

2.03.05 Franchisor will conduct a marketing program at its sole discretion, with input from Franchisees. Franchisor makes no representations or warranties regarding the nature of the marketing to be conducted or about how it will affect Franchisee's revenue.

2.03.06 Other Charges and Service Fees. Franchisee understands and agrees that the System is developing and that there may be other charges and service fees that will be agreed upon between Franchisee and Franchisor and assessed to Franchisee either by Franchisor or vendors in connection with existing components of the System or the addition of modified or new components to the System. Franchisee agrees to pay all such other charges and service fees in a timely manner.

2.03.07 Method of Payment and Electronic Funds Transfer. Unless otherwise agreed between Franchisor and Franchisee, all fees and other amounts paid to Franchisor or any affiliate must be made in the form of an ACH, electronic or similar funds transfer in the appropriate amount(s) from Franchisee's designated bank account. Franchisor reserves the right to require Franchisee to pay any fees due under this agreement at any intervals Franchisor may designate and by such means as Franchisor may specify from time to time. Franchisee agrees to execute and deliver to its bank and to Franchisor those documents necessary to authorize such withdrawals and to make payment or deposit as directed by Franchisor. A form of authorization for electronic transfer of funds is attached hereto as Exhibit B. Franchisee further agrees that it will not thereafter terminate such authorization so long as the Franchise Agreement is in effect. Franchisee agrees that it will not close such bank account without prior notice to Franchisor and the establishment of a substitute bank account permitting such withdrawals. Franchisee also agrees that in the event that a direct electronic funds transfer, or other withdrawal program is not available at the bank at which it currently does its business, it will take all reasonable and necessary steps to establish an account at a bank which does have such a program.

2.03.08 Application of Payments. All payments by Franchisee pursuant to this Article 4 will be applied in such order as Franchisor may designate from time to time. Franchisee agrees that it may not designate an order for application of any fees different from that designated by Franchisor and expressly acknowledges and agrees that Franchisor may accept fees paid pursuant to different instructions without any obligation to follow such instructions, even if such payment is made by its terms conditional on such instructions being followed. This provision may be waived only by written agreement signed by Franchisor, which written agreement must be separate from the check or other document or medium constituting or transmitting payment.

2.04 Management Assistance.

Franchisor will provide up to ten (10) hours of management or support services per month as a part of this Agreement. In the event Franchisee requests Franchisor to provide extraordinary management or support services, (beyond the included ten hours) at Franchisee's location or in Franchisee's Territory Franchisee shall pay Franchisor's usual fee of $25 per hour for such extraordinary services, which shall be due and payable no later than the second date for payment of royalties following the date of the services. All such extraordinary services shall be arranged as provided in the Manual.

2.05 Gross Revenues.

The term "Gross Revenues" means the amount of all your revenues and income related to your business whether for cash or credit and regardless of collection and including exchanges in kind or for barter. Gross Revenues do not include sales or like taxes, provided they are separately

stated in the customer's charge, are collected from the customer and are actually paid to appropriate taxing authority. Gross Revenues include, without limitation, amounts you receive or are entitled to receive from the offer for sale, sale of all products, or merchandise that you offer for sale, whether such sales were conducted in compliance with or in violation of the Franchise Agreement. Gross Revenues also includes insurance proceeds you receive for loss of profit or business or for damage to goods.

2.06 Local and Cooperative Marketing.

Franchisee shall spend, on a monthly basis, not less than the greater of 5% of Gross Revenues, or Three Hundred Dollars ($300.00) on local and cooperative marketing. Local marketing expenditures shall be in addition to the National Marketing Fees paid pursuant to paragraph 2.03. Franchisor may direct Franchisee to deposit some or all of its Local Marketing expenditures into a Local Marketing Cooperative.

2.06.01 Local Marketing. In addition to complying with any specific marketing requirements of Franchisor, Franchisee shall place and pay for such other marketing as Franchisee deems necessary and appropriate. Franchisee shall be responsible to assure that all marketing so placed complies with the Manual and serves to enhance and not detract from or harm the Marks and the goodwill attached and to become attached thereto. Franchisee shall promptly send to Franchisor copies of all marketing copy and media used. In the event Franchisor deems any advertisement or marketing technique to be not in compliance with this paragraph, Franchisee shall, immediately upon receipt of a written notice from Franchisor, cease using the subject advertisement or marketing technique and shall thereafter fully comply with this paragraph. If Franchisee violates this paragraph more than two times in any twelve month period, Franchisor may, in addition to all other remedies available pursuant to this Agreement, require Franchisee to obtain prior written approval of copy and marketing technique for all or certain categories of marketing.

2.07 Grand Opening.

Franchisee shall publicize and conduct a grand opening consistent with Franchisor's guidelines. The grand opening shall be appropriate for Franchisee's territory, location, community, competitive environment and similar factors. All grand opening plans must be reviewed and approved by the Franchisor prior to the grand opening event. Franchisee must spend a minimum of $1,000 on its Grand Opening marketing program.

Article 3 - Reports And Audits

3.01 Records And Reports.

Franchisee shall at all times maintain true and accurate business records in the manner specified by Franchisor. Franchisee shall, on a weekly basis or at such other intervals as specified by Franchisor, provide Franchisor with such report(s), in the form(s) specified by Franchisor, as Franchisor may require, and at such times as Franchisor may require, including, but not limited to, reports of Gross Revenues, reports of business expenses and overhead, customer information, copies of detailed purchase invoices, number and type of transactions, identity of vendors, the amount of marketing expenditures, detailed records of marketing expenditures, copies of inspection reports, and weekly or monthly sales summary. By submitting any reports to Franchisor, Franchisee is certifying that they are true and correct. Within ninety (90) days following the end of each calendar year, Franchisee shall provide Franchisor with a copy of

Franchisee's balance sheet and an income and expense statement for the year. At the time they are filed, Franchisee shall provide Franchisor with copies of Franchisee's federal income tax return(s) and state and local sales tax returns, if applicable, together with all exhibits and schedules thereto and all amendments thereafter. Franchisor is authorized to rely upon such reports and financial documents and to disclose them to governmental authorities as and if properly requested. Franchisor may use data from the reports and financial documents in composite or statistical form for any purpose in Franchisor's sole discretion. Franchisor is authorized to obtain or verify the information and reports described herein by electronic means from Franchisee's computer(s), at any time, without prior notice, at Franchisor's sole election. Franchisee shall retain all business records for at least six (6) years or such longer period of time as may be required by applicable law.

3.02 Audits And Inspections.

Franchisor shall have the right, at any time, to enter the Premises (either physically or electronically) for purposes of auditing the accuracy of reports submitted and to otherwise verify compliance with the terms and conditions of this Agreement. If an audit or inspection reveals that Franchisee has not complied with the operations Manual, then Franchisee shall also pay, immediately, the cost of the audit or inspection. The cost of the audit to the Franchisee shall not exceed five thousand dollars for first time audits. If follow up audits or inspections find noncompliance with operations manual, the Franchisee shall be responsible for the entire actual audit cost. In all other cases, Franchisor shall bear the entire cost of the audit or inspection, including incidental costs. Should Franchisee at any time cause an audit to be made of Franchisee's Licensed Business, Franchisee shall cause a copy of the report of said audit to be delivered to Franchisor without any cost or expense to Franchisor.

3.03 Contact With Others.

Franchisor shall have the right, in Franchisor's sole discretion and without further notice to Franchisee or to any other person or entity, to contact any of Franchisee's customers, landlord, accountant, vendors, or other persons within Franchisee's Territory or otherwise for the purpose of verifying the accuracy of any information submitted by Franchisee, for quality assurance or for any other purpose not inconsistent with this Agreement.

Article 4 - Training

4.01 Initial Training.

As a condition subsequent to this Agreement, Franchisee, Franchisee's designated manager and Franchisee's teachers, shall successfully complete Franchisor's initial training program. The initial training program will be approximately 40 to 80 hours in length and shall be conducted at such location(s) as Franchisor specifies. The initial training may be conducted, in whole or in part, in an existing STEM Builders Learning Center Licensed Business owned by Franchisor, an affiliate of Franchisor or another franchisee. Franchisee, Franchisee's manager and Franchisee's designated teachers, will be required to execute a consent, waiver and release in the form of Exhibit I before beginning training, relieving Franchisor or other franchisees who might be involved in the training of liability for wages, benefits, and for injury, damages or harm that might occur while training in the facilities of Franchisor or another franchisee. Franchisee shall be responsible for all salaries, compensation, benefits, and living and travel expenses of trainees. After the initial training, Franchisor will be available for such reasonable consultation as Franchisor deems appropriate. Franchisor reserves the exclusive right to determine whether

Franchisee and other trainees have satisfactorily completed the training program. If Franchisee and Franchisee's designated manager, if applicable, do not satisfactorily complete the initial training program within the first 6 months of the opening of their STEM Builders Location, they are required to take additional training until the training is completed to the satisfaction. However, in the event the Franchisee does not satisfactorily complete the training after more than two training sessions, Franchisor may terminate this Agreement. Franchisee acknowledges that such failure to satisfactorily complete the initial training program is grounds for termination of this Agreement.

4.02 Manager Training.

At all times, Franchisee or Franchisee's manager in charge of operating the Licensed Business shall be an individual who has successfully completed Franchisor's manager training program and who otherwise meets Franchisor's manager criteria. Any new manager shall successfully complete Franchisor's manager training program within 60 days after assuming the role of manager. Unless otherwise agreed in writing by Franchisor, Franchisee or Franchisee's manager(s) shall bear the reasonable cost of training additional managers after the first manager trained. In all cases, Franchisee shall be solely responsible for any salaries, compensation, benefits and living and travel expenses of trainees.

4.03 Teacher Training.

At all times, Franchisee shall employ only persons who have successfully completed Franchisor's Teacher training program. Franchisee shall pay Franchisor's or a third party's usual fee(s) for such mandatory training. Franchisee shall, in any event, be solely responsible for all salaries, compensation, benefits, and living and travel expenses of trainees.

4.04 Subsequent Training.

Franchisor may require Franchisee and Franchisee's manager and employees to complete additional training at a location determined in Franchisor's sole discretion. Franchisee shall pay Franchisor's usual fee(s) for such mandatory training. Franchisee shall, in any event, be solely responsible for all salaries, compensation, benefits, and living and travel expenses of trainees.

4.05 Training Materials.

Franchisor may, from time to time, provide or make available to Franchisee training materials and equipment for providing training for Franchisee's manager(s) and employees. Franchisor may charge a reasonable fee for such materials and equipment. Franchisee agrees that all such materials are Trade Secrets pursuant to this Agreement. Franchisee agrees to require all of its managers and employees, as applicable, to successfully complete any such training program(s) if Franchisor designates them as mandatory.

4.06 No Warranty of Success.

Franchisor's determination that Franchisee or Franchisee's employee(s) have successfully completed any training shall not be a warranty or representation that the person can or will successfully operate the Licensed Business or any aspect thereof.

Article 5 - Trade Secrets And Confidentiality

Franchisee will have access during the course of this Agreement to trade secrets that are the property of Franchisor. Trade Secrets include, but are not limited to, the System, the Manual, formulas, methods, customer lists and related information, vendor and pricing lists and policies, the Training, and other programs, techniques and policies as they may be developed by

Franchisor from time to time. Franchisee acknowledges that the Trade Secrets derive independent economic value from not being generally known to, and not readily ascertainable by proper means by, other persons who could obtain economic value from their disclosure or use. Franchisee agrees to not disclose or in any way make available to any unauthorized person(s) any Trade Secret(s) or any information regarding any Trade Secret(s) or any proprietary information made available to Franchisee by Franchisor. Franchisee shall hold all such information in complete confidence. Franchisee will not disclose any Trade Secrets whatsoever to any person(s) not employed by or under contract with Franchisee. Franchisee will disclose Trade Secrets only to those employees and agents of Franchisee with a legitimate need to know, each of whom Franchisee warrants will be subject to this Article. Franchisee shall cause every manager and every employee who has access to Trade Secrets to sign a Confidentiality and Nondisclosure Agreement in the form prescribed by Franchisor, the current form of which is Exhibit I hereto. Franchisee agrees that Franchisor shall have sole discretion in determining what items or information are Trade Secrets and that any items or information designated Trade Secrets by Franchisor in the Manual or otherwise in writing shall be treated as Trade Secrets under this Agreement whether or not such items or information would be trade secrets under any other applicable legal or other definition(s), including any applicable statutes. In addition to all other remedies available to Franchisor, upon proof of violation of this Article by Franchisee, Franchisee agrees that Franchisor shall be entitled to liquidated damages in an amount of fifteen thousand dollars ($15,000.00) Franchisee acknowledges and agrees that, in the event of Franchisee's violation of this Article, proof of actual damages would be difficult and that the amount of damages contained herein is a reasonable estimate of what actual damages would be. The foregoing formula does not result in a penalty.

Article 6 - Pre-Opening Obligations

6.01 Premises And Lease.

6.01.01 Franchisee shall be solely responsible for selecting the location for the Licensed Business that complies with the Manual (hereinafter "the Premises"). Franchisee, within 90 days after signing this Agreement, shall select a location, subject to Franchisor's approval. Franchisor will attempt to provide to Franchisee any information in its possession regarding the Premises, proposed Premises and any known alternative Premises within Franchisee's Territory. Such information is provided by Franchisor without warranty as to its accuracy or completeness or otherwise. Franchisor has no special expertise in such matters. Franchisee shall not sign a lease, sub-lease or other obligation until after Franchisee has received Franchisor's approval of the Premises and lease or sub-lease in writing. Approval of the Premises or the lease or sub-lease by Franchisor does not constitute a representation or warranty by Franchisor that the Premises will be good and does not constitute a legal or other opinion as to any term of the lease or sub-lease. Franchisor may, in Franchisor's discretion, condition approval upon execution of the Lease Conditional Assignment Agreement by Franchisee and Franchisee's landlord in the form of Exhibit E, attached. If Franchisee fails to select an approved location within 90 days, Franchisor shall have the option of terminating this Agreement. Notwithstanding Franchisor's right to terminate for failure to select an approved location within 90 days, Franchisor will reasonably extend the selection period if Franchisee has made best efforts to select a location and for valid reasons has been unsuccessful.

6.01.02 If Franchisee requests Franchisor to send a person to Franchisee's Territory to assist in identifying, selecting or negotiating the terms of a lease or purchase of or otherwise in connection with Franchisee's selection of Premises, upon Franchisor's agreement to provide such assistance, Franchisee shall arrange for appropriate transportation, hotels and meals and reasonable expenses not to exceed the current per diem rate for federal employees all at Franchisee's expense. Except for the per diem allowance, Franchisee shall pay such expenses directly to the transportation and other providers.

6.02 Specifications.

Franchisee's Licensed Business shall operate only from Premises meeting Franchisor's specification including appropriate office and classroom spaces. Franchisee understands and agrees that, although all STEM Builders Learning Center offices will follow a consistent theme, the details of their design will differ in many cases, based upon location requirements, landlord requests, and unique features of the community. Franchisor will consider Franchisee's requests for features for Franchisee's office but is not obligated to follow those requests. Franchisee shall be obligated to update the design of Franchisee's office at Franchisee's expense not more than once every three years. Franchisee may change or update the design of Franchisee's office, subject to Franchisor's prior written approval, at any time, at Franchisee's expense. If Franchisor approves any changes in the plans or designs at Franchisee's request (or to comply with governmental codes, rules or ordinances), Franchisor shall own all rights to such plans as modified without further compensation to Franchisee or any other person. Franchisee shall sign and obtain signatures of necessary third parties on any documents requested by Franchisor to transfer any and all copyrights or other proprietary interests of any person in and to such modified plans or designs.

6.03 Appearance Of Premises.

Franchisee acknowledges that not every STEM Builders Learning Center office will be required to have identical decor, color schemes and layout. Franchisee agrees to accept Franchisor's subjective evaluation as to what would keep the Premises in compliance with Franchisor's standards. Franchisee agrees, at Franchisee's sole cost and expense, to maintain the Premises, including, but not limited to equipment, displays, fixtures, and interior and exterior decor in accordance Franchisor's standards throughout the term of this Agreement.

6.04 Required Equipment

Franchisee shall acquire install and use, at Franchisee's sole expense the Required Equipment. The current list of Required Equipment is contained in Exhibit C. Franchisee understands that the specific list of Required Equipment may be different for Franchisee's Licensed Business than for other franchisees or company-owned offices on account of differences in the Premises, lease terms, demographics or otherwise and that Franchisor shall have the right to modify the list of Required Equipment in the Manual or otherwise in writing. All Required Equipment shall meet or exceed Franchisor's specifications. Franchisee shall purchase the Required Equipment only from vendors approved by Franchisor.

Article 7 - Operation Of Licensed Business

7.01 Independent Contractor.

Each party to this Agreement is and shall remain an independent contractor and shall control the manner and means of operation of its respective business and shall exercise complete control over and responsibility for all labor relations and the conduct of its agents and employees. Neither

party shall be considered or held out to be agent(s), joint Ventures, partners or employee(s) of the other, except as specifically authorized by this Agreement. Neither party shall negotiate or enter into any agreement or incur any liability in the name of or on behalf of the other unless, and to the extent, specifically authorized by this Agreement. Franchisee shall prominently display signs at all times in the manner specified by Franchisor, indicating the name of the Franchisee and stating that the Licensed Business is independently owned and operated. Franchisee's business forms that bear the Marks shall contain Franchisee's name and a statement that the Licensed Business is independently owned and operated in such form as Franchisor may specify.

7.02 Personal Participation.

Throughout the term of this Agreement, Franchisee shall either devote Franchisee's full time and effort to actively managing the Licensed Business or delegate its management to a responsible person. If no manager is designated by the Franchisee, Franchisee must be the manager. Notwithstanding any delegation of authority hereunder, Franchisee shall reserve and exercise ultimate authority and responsibility with respect to the operation and management of the Licensed Business. If Franchisee employs a manager to run the day to day operations, the manager shall be required to attend and successfully complete Franchisor's training program prior to taking over full day-to-day responsibilities, at Franchisee's sole cost and expense (except for Franchisee's first manager whom Franchisor will train at no additional charge to Franchisee for the training—but Franchisee shall be solely responsible for all travel and living costs of trainees).

7.03 Retail Prices.

Franchisor will provide Franchisee with suggested prices and pricing strategies for programs and services. Franchisee is obligated to follow such price recommendations to the extent such obligation is consistent with applicable law and is otherwise solely responsible for establishing franchisee's own retail prices at such levels as franchisee deems appropriate.

7.04 Compliance With Laws.

Franchisee shall be solely responsible, at Franchisee's sole cost and expense, for obtaining and maintaining all necessary or required permits and licenses in order to operate the Licensed Business. Franchisee is solely responsible for strictly complying with each and every law, ordinance and regulation applicable to the Licensed Business, including, but not limited to, licensing, health, safety, environmental, consumer and labor regulations. Franchisee shall timely pay all applicable taxes as they come due but may challenge the amount or applicability thereof; provided, that Franchisee hereby agrees to indemnify, hold harmless and defend Franchisor from any and all liabilities for taxes based upon Franchisee's operations.

7.05 Franchisee Business Operation.

Franchisee understands and acknowledges that every detail of the System and of the operation of the Licensed Business is important to Franchisee, Franchisor and other STEM Builders Learning Center franchisees in order to maintain and further develop high and uniform operating standards, to increase the demand for goods and services sold by Franchisor and all franchisees, to enhance the image of Franchisor and the Marks, and to protect Franchisor's reputation and goodwill. Therefore, Franchisee agrees that:

7.05.01Franchisee may not open for business until Franchisor has certified that Franchisee is in full compliance with System Standards. You must open your Licensed Business within six (6) months of the execution of this Agreement, or we have the right to terminate this Agreement.

7.05.02 Compliance with Manual. Franchisee shall operate the Licensed Business in conformity with such uniform methods, standards and specifications as Franchisor may prescribe, in the Manual or otherwise, to ensure that the highest degree of quality and service is uniformly maintained. Franchisee shall acquire and maintain, at all times, all equipment and software required by Franchisor for operation of the Licensed Business. Franchisee shall offer all of the programs and services designated by Franchisor and no others without the written consent of Franchisor, which consent Franchisor may withhold for any reason. Franchisee shall assure that all telephone calls are answered live in compliance with the Manual.

7.05.03 Image. Franchisee shall, at all times, work to protect and enhance Franchisor's image and, specifically, shall maintain employees or workers in the Licensed Business whose appearance, attire, attitude, reputation and demeanor are consistent with Franchisor's image. Franchisee acknowledges and agrees that Franchisor shall have sole discretion in determining what constitutes Franchisor's image, and further acknowledges that said image is constantly evolving as markets change and evolve.

7.05.04 Business Dealings. Franchisee shall not, at any time, engage in any business dealings in relation with the Licensed Business or the Franchise which are unethical, dishonest or otherwise could cause harm to the Marks, Franchisor, the goodwill associated with the Marks, or to any customer or vendor of Franchisee.

7.05.05 Maintenance. Franchisee shall, at Franchisee's sole cost and expense, maintain the Premises, inside and out, in the highest degree of sanitation, repair and condition, and in connection therewith shall make such additions, alterations, repairs and replacements thereto (but no others without Franchisor's prior written consent) as may be required for that purpose, including without limitation, such periodic cleaning, repainting, repairs to impaired equipment and replacement of obsolete signs and equipment as Franchisor may reasonably direct. If Franchisee's landlord does not maintain the premises exterior, Franchisee shall maintain all landscaping and other outside areas of the premises in an attractive and clean condition.

7.05.06 Refurbishing. At Franchisor's request, which shall not be more often than once every five (5) years or at the time of license renewal (whichever is earliest), Franchisee shall replace or update the Premises at Franchisee's sole expense, to conform to the design, trade dress, color schemes and presentation of the Marks consistent with Franchisor's then-current image, including, without limitation, such internal changes and redecoration and such modifications to existing equipment as may be necessary in Franchisor's sole judgment.

7.05.07 Advisory Committees. Franchisee shall participate, at Franchisee's sole expense, in local, regional and national franchisee advisory committees or councils if established or sanctioned by Franchisor.

7.06 Restrictions On Sources Of Products And Services.

7.06.01 Specifications. As to all equipment, fixtures, supplies and inventory ("Items") necessary to operate the Licensed Business, except as otherwise specified herein, Franchisee may purchase them from the vendor of Franchisee's choice, but the Item(s) must meet Franchisor's specifications, if any. The current list of Items subject to specifications is included as Exhibit D. Franchisor reserves the right to change the list of Items that Franchisee must purchase in accordance with specifications. On such event Franchisee will be given time until the next renewal of the license. Franchisor reserves the right to require Franchisee to purchase only from suppliers that Franchisor has approved.

7.06.02 Items Bearing Marks and Proprietary Items. Franchisee shall purchase only from Franchisor or a supplier approved by Franchisor all Items used to start or operate the Licensed Business that contain or bear the Marks or that are proprietary to Franchisor. In addition, Franchisee shall purchase from a supplier approved by Franchisor, all signs used to identify the Licensed Business.

7.06.03 Other Suppliers. Franchisor will approve other suppliers of non-proprietary items if Franchisee or the supplier request the approval in writing and if the supplier demonstrates to the satisfaction of Franchisor that it is financially capable and can provide Item(s) or service(s) that meet Franchisor's standards and that it is willing and able to protect Franchisor's proprietary information. Franchisor may charge a reasonable fee to cover its costs in evaluating a proposed supplier. Franchisor will normally make its decision within 15 days after it receives all of the requested information and any requested samples. Franchisor reserves the right to withdraw approval of any supplier whose performance falls below Franchisor's standards.

7.06.04 Unspecified Products. Franchisee may obtain any Item used in the Licensed Business that Franchisee is not required to purchase in accordance with specifications or from an approved supplier from any source, so long as the Item is consistent with Franchisor's image. Should Franchisor later publish specifications or require use of an approved supplier, Franchisee shall comply with that requirement.

7.06.05 Inventory. Franchisee shall, at all times, maintain a sufficient inventory of Items so that the Licensed Business can operate at maximum capacity.

7.06.06 Training and Other Services. Certain services may be available to Franchisee only through Franchisor or an affiliate, including mandatory training. Franchisee will be required to pay the usual price for any of these services, unless otherwise provided in this Agreement.

7.06.07 Proprietary Items. Proprietary Items are Items that contain one or more unique characteristics which are either not known to the general public or which are subject to protection as intellectual property or Trade Secrets, and can include algorithms, software, packaging, trademarks or containers. Patented or patentable Items are Proprietary Items. Franchisor or its Affiliate(s) may develop Proprietary Items. Franchisor or an Affiliate will (i) manufacture, supply and sell Proprietary Items to franchisees of Franchisor, and/or (ii) disclose the formulae for and methods of preparation of the Proprietary Items to one or more supplier(s) who will be authorized by Franchisor to manufacture Proprietary Items to Franchisor's precise specifications and sell Proprietary Items to franchisees of Franchisor and/or (iii) license Franchisee to use them pursuant to this Agreement. If required, Franchisee shall purchase and use Proprietary Items from Franchisor or from supplier(s) so authorized by Franchisor. Franchisor or its Affiliate(s) will derive revenue and profits from Franchisee's purchases of any Proprietary Items. Franchisor or its Affiliate(s) may distribute Proprietary Items through alternative channels of distribution, including near Franchisee's location.

7.07 Minimum Hours.

Franchisee shall keep the Premises open to the public minimum of three (3) days per calendar week and must be open at least one Saturday or Sunday per week. Franchisee may choose holiday closures but may not have more holiday closures than the school district within the Territory with the highest number of holiday closures.

7.08 Signs.

Franchisee agrees to obtain, install and maintain on the Premises and on certain vehicles used in the Licensed Business, appropriate signs bearing the Marks as specified by Franchisor. Any deviation from the required signage shall be subject to Franchisor's prior written approval.

7.09 Computer System.

Franchisee shall purchase specified computer hardware and software ("Computer System") for use in operation of the Licensed Business as required by Franchisor. In addition, Franchisee may be required, from time to time, to purchase replacement hardware or software or software upgrades, all of which Franchisee shall install and use as required by Franchisor, including, without limitation, point of sale and communications software and hardware. If required, Franchisee will install and maintain and use, at Franchisee's expense, a dedicated telephone or other data line or transmission facility as specified by Franchisor. Franchisee may obtain a Computer System and related components and services from any source as long as the equipment, software and service meet or exceeds Franchisor's specifications. Franchisee shall be solely responsible for maintenance, repair and replacement of the Computer System. Without limiting the applicability of this paragraph, Franchisee shall, at all times, use and maintain the software as required by Franchisor. Franchisee shall not block or attempt to block or limit Franchisor's access, including electronically, to any data or programs contained on Franchisee's Computer System and Franchisee shall maintain information relating to the Licensed Business only on the Computer System(s) to which Franchisor has access.

7.10 Communications Equipment and Systems.

Franchisee shall purchase and use in the Licensed Business communications equipment or systems and service as required by Franchisor and shall update or replace such equipment, systems and service as required, but Franchisor will not require replacement more than once per year. Except as otherwise required or permitted by this Agreement or by applicable law, Franchisee shall use only the communications systems designated by Franchisor in communicating with Franchisor and other franchisees relating to the Licensed Business. Franchisor shall have a proprietary interest in all communications made through any communications systems maintained or provided by Franchisor. Franchisee acknowledges that the provisions of this paragraph are reasonable and necessary and beneficial to the STEM Builders Learning Center franchise system. Franchisee shall monitor and respond to all communications in a timely manner as specified in the Manual.

7.11 Equipment Maintenance.

Franchisee shall be solely responsible, at Franchisee's cost and expense, for maintaining, repairing, and replacing, when appropriate, all equipment required, recommended or permitted pursuant to this Agreement.

7.12 Warranties.

Franchisee shall not represent to any customer or the public that Franchisor provides any warranty as to the quality of any product or service, unless Franchisor has specifically authorized such warranty in writing. If Franchisee offers any warranties, they shall be in writing and shall clearly state, both in the warranty and in any promotional or advertising materials, that the warranty is available and will be honored only by Franchisee. Franchisee hereby indemnifies, holds harmless and agrees to defend Franchisor, its related companies and all other STEM Builders Learning Center franchisees from any and all claims of whatever nature arising from any such additional warranties made by Franchisee. Franchisee shall participate in and comply with any warranty program that Franchisor may adopt from time to time.

7.13 No Pirating Of Personnel.

During the term of this Agreement and for a period of two (2) years following Termination or Nonrenewal of this Agreement for any reason whatsoever, Franchisee shall not: (a) induce, or attempt to induce any employee of Franchisor, an Affiliate or of any other franchisee to leave their current employer; (b) without the prior written approval of Franchisor (which may be conditioned upon the prior written approval of another franchisee and other proper conditions) hire or associate or offer to hire or associate any employee of Franchisor, an Affiliate, or of any other franchisee; or (c) without the prior written approval of Franchisor (which may be conditioned upon the prior written approval of another franchisee and other proper conditions) hire or associate or offer to hire or associate any former employee of Franchisor, an Affiliate, or of any other franchisee, who has, voluntarily or otherwise terminated his or her relationship with Franchisor, an Affiliate, or any other franchisee during the prior eighteen (18) calendar months. The terms of this paragraph 7.13 shall survive termination or nonrenewal of this Agreement for any reason. Any waivers of this paragraph 7.13 must be in writing and signed by the Franchisor.

7.14 Marketing.

Franchisee shall, at all times, comply with the Manual in all advertising. Franchisee shall not use television, radio or Internet advertising unless in full compliance with the Manual.

7.15 Leads and Service Area.

Except as specifically permitted by the Manual, Franchisee shall not engage in marketing outside of Franchisee's Territory. Except as contained in this Agreement, there are no restrictions on where Franchisee may provide services, provided Franchisee is in full compliance with all applicable laws, ordinances and regulations, for customers who may contact Franchisee directly. Franchisor may adopt and follow non-discriminatory policies for distributing calls and leads if Franchisee does not respond or perform in compliance with the Manual which may result in another franchisee being permitted to perform work in Franchisee's Territory.

7.16 New Developments.

Franchisor shall be the sole and exclusive owner of all new developments, including inventions, methods, products, ideas, formulas, research results, equipment, and otherwise, that Franchisee develops or has any role in developing that relate to the Licensed Business. Franchisee shall immediately disclose any and all such new developments to Franchisor and shall execute any documents necessary, in Franchisor's opinion, to consummate the transfer of all ownership rights therein. The mutual covenants of this Agreement are sufficient consideration for such transfers. Franchisor shall not, otherwise, be required to compensate Franchisee for such new developments.

7.17 Staffing Requirements.

Franchisee shall, at all times, comply with the minimum staffing requirements specified in the Manual, which shall be not less than one business manager and one STEM Builders Learning Center Trained Specialist (SBT). Each SBT shall, at all times meet or exceed the qualifications set forth in the Manual.

7.18 Anti-Corruption, Anti-Boycott, and Anti-Terrorism Laws.

Franchisee and each of its owners represent and warrant to Franchisor that: (i) neither Franchisee nor, to the best of its knowledge after reasonable inquiry, any of Franchisee's owners or any executive officer of Franchisee is identified either by name or an alias, pseudonym or

nickname, on the lists of “Specially Designated Nationals” or “Blocked Persons” maintained by the U.S. Treasury Department’s Office of Foreign Assets Control (text available at: www.treas.gov/offices/enforcement/ofac/); (ii) neither Franchisee or any owner is directly or indirectly owned or controlled by the government of any country that is subject to a United States embargo; (iii) neither Franchisee nor any of its owners acts or will act directly or indirectly on behalf of any government of any country that is subject to a United States embargo; and (iv) neither Franchisee nor any of its owners or executive officers have violated, and Franchisee will not violate and will cause Franchisee’s owners and executive officers not to violate, any applicable law prohibiting money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including any acts prohibited by the U.S. Patriot Act or similar law. The foregoing constitutes continuing representations and warranties, and Franchisee will immediately notify Franchisor in writing of the occurrence of any event or circumstance that might render any of the foregoing representations and warranties of this Section 7.18 incorrect, false, inaccurate, or misleading, or which constitutes a breach of any of the covenants of this Section 7.18.

Article 8 - Indemnity And Insurance

8.01 Indemnity.

Franchisee shall indemnify, defend and hold harmless Franchisor, its Affiliates and their respective shareholders, officers, directors, employees, agents, successors and assignees (the “Indemnified Parties”) against and to reimburse any one or more of the Indemnified Parties for all claims, obligations and damages arising directly or indirectly from the operation of the Licensed Business or Franchisee’s breach of this Agreement, including, without limitation, those alleged to be or found to have been caused by the Indemnified Party’s negligence or willful misconduct, unless (and then only to the extent that) the claims, obligations or damages are determined to be caused solely by Franchisor’s gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. This provision shall survive termination and expiration of this Agreement.

For purposes of this Section 8.01, “claims” include all obligations, damages (actual, consequential or otherwise) and costs that any Indemnified Party reasonably incurs in defending any claim against it including, without limitation, reasonable accountants’, arbitrators’, attorneys’ and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses and other expenses of litigation, arbitration or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at Franchisee’s expense and agree to settlements or take any other remedial, corrective or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement’s expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against Franchisee under this subparagraph. Franchisee agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Franchisee under this subsection.

8.02 Insurance.

Franchisee shall purchase and maintain, at Franchisee's expense, throughout the term of this Agreement commercial general liability insurance, including bodily injury, property damage, personal injury, advertising injury, non-owned automobile, loss of business income, and broad

form contractual coverage for liability assumed under this Agreement. Such insurance shall be on an occurrence basis and shall consist of combined single limit coverage of at least one million dollars per occurrence/two million dollars annual aggregate. Franchise shall purchase and maintain professional liability (errors and omissions) insurance with coverage of at least $1,000,000 per occurrence/$2,000,000 annual aggregate. Franchisee shall purchase and maintain worker's compensation and employer's liability insurance with a reputable insurer acceptable to Franchisor. Franchisee shall provide Franchisor with one or more certificates of insurance evidencing such coverage's and naming Franchisor as an additional insured as to each applicable policy. Such certificate(s) of insurance shall provide that the coverage's under the respective policy(ies) may not be modified (except to increase coverage) or canceled until at least thirty (30) days prior written notice of such cancellation or modification has been given to Franchisor. Upon request by Franchisor, Franchisee shall provide Franchisor with a true copy of any insurance policy, including all endorsements. Every insurance policy of Franchisee required by this Agreement shall provide that coverage is primary/non-contributory. Every insurance policy shall be with an insurance company that meets Franchisor's criteria as set forth in the Manual.

Article 9 - Renewal

9.01 Conditions Of Renewal.

After expiration of the term of this Agreement, if Franchisor has made a business decision, in Franchisor's sole discretion, to continue the STEM Builders Learning Center Franchise System in Franchisee's area, Franchisee will be permitted to operate the Licensed Business for one-consecutive Renewal Term, subject to any or all of the following conditions which must, at Franchisor's sole option, be met prior to and at the time of such Renewal Term:

9.01.01 Franchisee must be current in payment of all fees and charges to Franchisor and any of its related companies and must not have made more than two late payments within the last three years for which Franchisor gave written notice(s) of breach, which notice(s) were not withdrawn by Franchisor;

9.01.02 Franchisee must not be in default, nor have been in default during the prior 12 months, of any provision of this Agreement or any other Agreement between Franchisee or any of its Affiliates and Franchisor and any of its Affiliates, and Franchisee must have substantially and timely complied with all of the terms and conditions of such agreements during the Term;

9.01.03 Franchisee shall pay a renewal fee as established at the time by Franchisor, but which shall be not more than 50% of the then-current Initial Fee, payable in full at the time of execution of the Franchise Agreement referred to in subparagraph 9.01.04;

9.01.04 Franchisee shall execute Franchisor's then-current form of Franchise Agreement, which agreement will supersede this Franchise Agreement in all respects, and the terms of which may differ in material ways that are not reasonably foreseeable at this time, but may include material differences in territorial boundaries and economic terms, including the amount of royalties and National Marketing Fees or entirely new categories of fees or mandatory expense;

9.01.05 Franchisee must maintain possession of the Premises identified in Exhibit A for the renewal term or obtain substitute premises approved by Franchisor;

9.01.06 Franchisee, at Franchisee's sole cost and expense, shall remodel or refurbish the Premises and otherwise modernize and renovate the Premises, signs and equipment to be consistent with the then current image of the System and to meet Franchisor's then current specifications;

9.01.07 Franchisee shall comply with Franchisor's then-current qualification and training requirements;

9.01.08 Franchisee shall give written Notice to Franchisor at least thirteen months, but not more than eighteen months, prior to the end of the term of this Agreement of Franchisee's desire to renew;

9.01.09 Franchisee must not, during the preceding term, have engaged in any business dealings in relation with the Licensed Business or the Franchisee which are unethical, dishonest or otherwise could cause harm to the Marks, Franchisor, any other franchisee, the goodwill associated with the Marks, or to any customer, client or vendor of Franchisee, Franchisor or of another franchisee; and

9.01.10 Franchisee and each of its owners must execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, and any of Franchisor's affiliates, members, employees and attorneys, including without limitation, claims arising under this Agreement and federal, state, and local laws, rules and regulations, subject to applicable law.

Article 10 - Continuation

If, following the termination or expiration of this Agreement for any reason, whether voluntary or involuntary, Franchisee continues to operate the Licensed Business or occupy the Premises with the express or implied consent of Franchisor, but without a renewal franchise agreement, such continuation shall constitute a month-to-month extension of this Agreement and shall be terminable by either party upon the lesser of (a) thirty (30) days written notice or (b) such shorter notice by Franchisor as would otherwise be applicable in a termination for cause. Franchisee acknowledges and agrees that such continuation shall be good cause for termination of this Agreement. Both parties shall continue to be subject to all terms of this Agreement during any such continuation period.

Article 11 - Entity Franchisee

11.01 Entity Definition.

An "Entity" is any form of business organization except for a sole proprietorship and includes all kinds of corporations, limited liability companies, limited partnerships and general partnerships and any other form of business organization involving either multiple equity owners or which attempts to provide limited liability.

11.02 Founding Document Restriction.

If Franchisee is an Entity or becomes an Entity or if Franchisee transfers Franchisee's interest under this Agreement or any interest in the Licensed Business to an Entity, the founding document(s) of the Entity must provide as follows:

> This Corporation/Limited Liability Company shall not enter into any agreement or undertaking which would, directly or indirectly, limit any of the rights or obligations of the Corporation/Limited Liability Company or of any owner of the [insert type of entity] under the STEM Builders Learning Center **Franchise** Agreement dated___,. Any such agreement or undertaking is void.

11.03 Liability Of Owner(s).

Every owner of an equity or other interest in any Entity franchisee (and any individual person who is an owner of an Entity which owns any equity interest in any Entity franchisees) shall personally guaranty this Agreement. Any change in or addition of equity or other owner(s) shall be subject to the Assignment and Death and Incapacity provisions of this Agreement.

11.04 Restriction On Certificates Of Ownership.

Each and every document, if any, issued by any Entity franchisee evidencing ownership of an equity or other interest in the Entity must provide as follows:

> Ownership of this [insert type of Entity] is restricted and cannot be transferred, assigned, sold or encumbered except in strict compliance with the STEM Builders Learning Center Franchise Agreement dated ____. Any other transfer or attempted transfer is void.

11.05 Additional Requirements Of Entity Franchisee.

Franchisee shall, upon Franchisor's request, provide Franchisor or its designee with true copies of such of Franchisee's Entity records and documents as Franchisor shall designate. An Entity Franchisee shall, at all times, have one individual person who shall be the designated principal who shall have authority to act on behalf of the Entity in all respects under this Agreement. The designated principal shall be the individual who is responsible for assuring compliance by the Entity with all of the terms of this Agreement. Notwithstanding the requirement of a designated principal, Franchisor shall be entitled to rely upon the acts or words of any principal, employee or agent of an Entity Franchisee whom Franchisor understands to be acting or speaking on behalf of the Entity.

Article 12 - Assignment Or Transfer

12.01 **Transfer by Franchisor.** Franchisee acknowledges that Franchisor maintains a staff to manage and operate the System and that staff members can change as employees come and go. Franchisee represents that it has not signed this Agreement in reliance on any particular shareholder, director, officer, or employee remaining with Franchisor in that capacity or no capacity at all. Franchisor may change its ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. In the event of Franchisor's assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, Franchisor no longer will have any performance or other obligations under this Agreement.

12.02 **Transfer by Franchisee.** Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee and that Franchisor has granted Franchisee the right to operate the Licensed Business in reliance on many factors, including, without limitation, the individual or collective character, skill, aptitude and business and financial capacity of Franchisee and Franchisee's principals. Accordingly, neither Franchisee nor any person owning any direct or indirect equity interest therein, will, without Franchisor's prior written consent, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement or any portion or aspect thereof, or any equity or voting interest in Franchisee (any such act or event is referred to as a "Transfer"). Any such purported Transfer occurring by operation of law or otherwise, including any assignment by a trustee in bankruptcy, without Franchisor's prior written consent will be a material default of this Agreement.

12.03 **Representations as to Ownership.** Franchisee represents that as of the execution of this Agreement its equity and voting control is owned as shown in Exhibit "A" hereto. If

Franchisee, or any approved successor thereof, is a partnership, limited liability company or privately held corporation, Franchisee will submit to Franchisor prior to any proposed Transfer of an equity or voting interest, and at any other time upon request, a list of all Owners reflecting their respective present and/or proposed direct or indirect interests in Franchisee, in such form as Franchisor may require.

12.04 **Conditions to Franchisor's Consent to Transfer.** Franchisee understands and acknowledges the vital importance of the performance of Franchisee to the market position and overall image of Franchisor. Franchisee also recognizes the many subjective factors that comprise the process by which Franchisor selects a suitable Franchisee. Franchisor will not unreasonably withhold its consent to a Transfer by Franchisee of any interest in this Franchise or any equity or voting interest in Franchisee and such consent will remain a subjective determination and will include, but not be limited to, the following conditions:

12.04.1 The transferee must demonstrate to Franchisor's sole satisfaction that it meets all of Franchisor's requirements for becoming a Franchisee, including, without limitation, that it meets Franchisor's financial, entrepreneurial, and managerial and business standards then in effect for similarly situated franchisees, possesses a good moral character, business reputation and satisfactory credit rating, will comply with all instruction and training requirements of Franchisor and has the aptitude and ability to operate the Licensed Business (as may be evidenced by prior related business experience or otherwise).

12.04.2 As of the effective date of the proposed Transfer, all obligations of Franchisee hereunder and under any other agreements between Franchisee and Franchisor are fully satisfied.

12.04.3 Franchisee has satisfied all monetary obligations owed to Franchisor, its affiliates and its designated suppliers.

12.04.4 Franchisee has been in substantial compliance with the Franchise Agreement and all other agreements between Franchisee and Franchisor, its affiliates, or its designated suppliers through the initial and any renewal term of this Agreement;

12.04.5 As of the effective date of the proposed Transfer, all obligations of the proposed transferee to the Franchisor, its affiliates, and designated suppliers (if any) must be fully satisfied.

12.04.6 As of the effective date of the proposed Transfer, the transferee must have the unconditional right to occupy the Premises.

12.04.7 The proposed transferee does not have an interest in a business which is competitive with the Licensed Business.

12.04.8 Franchisee or the transferee must pay to Franchisor a transfer fee of $7,500 (the "Transfer Fee").

12.04.9 The transferor must execute a general release under seal where required, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its parent, subsidiaries, affiliates and their officers, directors, attorneys, Owners and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances arising out of, or connected with, the performance of this Agreement in the form substantially similar to Exhibit I.

12.04.10 The proposed transferee must execute Franchisor's then-current form of franchise agreement, which may contain terms and conditions substantially different from those in this Agreement.

12.04.11 The transferee and/or its designated managerial personnel must have completed, to Franchisor's satisfaction, the training then required of comparable System franchisees.

12.04.12 The transferee must obtain all licenses and/or registrations necessary to operate the Licensed Business.

12.04.13 Franchisor may, depending on all of the applicable circumstances, waive any of the above conditions and qualifications, especially for transfers among original Owners, transfers to trusts created for the benefit of a spouse or children and transfers to family members.

12.04.14 Franchisee and its principals, owners, officers, directors, and employees agree to comply with the post-termination provisions of this Agreement, including the non-competition and non-disclosure covenants.

12.04.15 Franchisee and Transferee agree to perform all maintenance and upgrades required to bring the Licensed Business up to Franchisor's then-current standards, including upgrading any computer hardware and software, and replacing any Service Vehicles that do not meet Franchisor's then-current requirements for new System Franchisees, as Franchisor may require.

12.04.16 Franchisee or transferee must provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of and agreement to faithfully perform all of Franchisee's obligations under this Agreement, for Franchisor's prior written approval.

12.04.17 Franchisee must request that Franchisor provide the prospective transferee with Franchisor's current form of disclosure document.

12.04.18 Franchisor's approval of the transfer will not constitute a waiver of any claims Franchisor may have against the transferring party.

12.04.19 Franchisor will have the right to disclose to any prospective transferee such revenue reports and other financial information concerning Franchisee and Franchisee's Business as Franchisee has supplied Franchisor hereunder.

12.04.20 If Franchisee finances any part of the purchase price, Franchisee agrees that all of the transferee's obligations under any promissory notes, agreements, or security interests reserved in the Licensed Business are subordinate to the transferee's obligation to pay Royalties, Brand Fund Contributions, and any other amounts due to Franchisor, its Affiliates, Suppliers and otherwise to comply with this Agreement.

12.04.21 In any event, Franchisor may withhold or condition Franchisor's consent to any transfer as Franchisor deems appropriate based on the circumstances of the transfer or otherwise.

12.05 **Transfer to Entity.** If the Franchisee wishes to transfer the Franchise Agreement or any interest therein to a corporation or limited liability company which shall be controlled by the Franchisee, which entity is being formed for the financial planning, tax or other convenience of the Franchisee, the Company's consent to such transfer shall be conditioned upon the following requirements:

12.05.1 The corporate Franchisee shall be newly organized, and its articles of incorporation (or like documents) shall provide that its activities are confined exclusively to the operation of the Licensed Business.

12.05.2 The Franchisee shall retain total ownership of the outstanding stock or other capital interest in the transferee entity, and the Franchisee shall act as the principal officer or officers and directors thereof.

12.05.3 All obligations of the Franchisee to Franchisor and to the landlord shall be fully paid and satisfied prior to the Company's consent.

12.05.4 The entity assignee shall enter into a written agreement with Franchisor expressly assuming the obligations of this Franchise Agreement and all other agreements relating to the operation of this business or the use and occupancy of the Premises. If the consent of any other contracting party to any such agreement be required, the Franchisee shall have obtained such written consent and provided the same to the Franchisor prior to the Franchisor's consent.

12.05.5 All owners of ten (10%) percent of the stock or other ownership interest of the transferee entity shall enter into an agreement with the Franchisor jointly and severally guaranteeing the full payment of the entity's obligations to the Franchisor and the performance by the transferee entity of all the obligations of the Franchise Agreement.

12.05.6 Each stock certificate or other ownership interest certificate of the transferee entity shall have conspicuously endorsed upon the face thereof a statement in a form satisfactory to the Company that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Franchise Agreement.

12.05.7 Copies of the transferee entity's Articles of Incorporation, Articles of Organization, or documents including resolutions of the Board of Directors authorizing entry into this Franchise Agreement shall be promptly furnished to the Company. Any amendment to any such documents shall also be furnished to the Company immediately upon adoption.

12.05.8 The term of the transferred franchise shall be the unexpired term of this Franchise Agreement.

12.05.9 The payment of an administrative fee of One Thousand and No/100 ($1.000.00) Dollars.

12.06 **No Sublicensing.**

Franchisee shall not, directly or indirectly, sublicense or attempt to sublicense the Marks or the System or any part thereof to any person or entity for any purpose. Any attempted or purported sublicense shall be void.

12.07 **Franchisee May Not Encumber this Agreement.** The Franchisee shall not, without the prior written consent of the Franchisor, enter into any agreement to borrow money ancillary to which the lender acquires or purports to acquire the right, upon default by the borrower, to assume ownership or control of, or to execute upon, any franchise rights or any ownership interest in this Franchise Agreement. This franchise and this Franchise Agreement may not be used as collateral for borrowing without the prior written consent of the Franchisor. The Franchisee, in connection with any borrowing, will provide to the lender a copy of this Franchise Agreement and call the lender's attention specifically to this provision.

12.08 **Transfer in the Event of Death or Mental Incapacity.** Upon the death or mental incapacity (as reasonably determined by an independent third party such as a licensed doctor) of any person with any direct or indirect interest in Franchisee, the executor, administrator, or personal representative of such person must transfer his interest to a third party approved by Franchisor within six months after the death or incompetence. Such transfers will be subject to the same conditions as set forth in Section 12.05. If the heirs or beneficiaries of any such person are unable to meet the conditions in Section 12.05 hereof, Franchisor may terminate this

Agreement. If the transfer is to the spouse or adult child who has otherwise been approved by Franchisor, no Transfer Fee shall be charged.

12.09 **Consent to Transfer Not a Waiver.** Franchisor's consent to a Transfer of any interest in Franchisee will not constitute a waiver of any claims it may have against the transferring party, nor will it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

12.10 **Noncompliance**. Any Transfer that does not comply with this Article 12 shall be null and void.

12.11 **Franchisor's Right of First Refusal**. If Franchisee determine at any time to Transfer any interest in Franchisee or the Licensed Business as set forth in Article 13 of this Agreement, Franchisee will obtain a bona fide executed written offer to purchase such interest from a responsible and fully disclosed purchaser and will submit an exact copy of such offer to Franchisor, along with any other information concerning the proposed transfer and/or transferee as Franchisor may request. Franchisor will, for a period of thirty (30) days from the date Franchisor receives such documented offer, have the right, but not the obligation, exercisable by written notice to Franchisee, to purchase all of such interest for the price, minus any sales commission that would have been payable as a result of the proposed sale, and on substantially the terms and conditions contained in such offer; provided, however, Franchisor may substitute cash for any other form of consideration proposed in such offer. Franchisor may deduct from the purchase price any unpaid debts Franchisee owes to Franchisor and may pay out of the purchase price any of Franchisee's unpaid trade creditors. If Franchisor does not exercise such right of first refusal, Franchisee may complete such Transfer of such interest to such purchaser on the same terms as offered to Franchisor, subject to the provisions of Article 12. If such Transfer to such proposed Transferee is not completed within sixty (60) days after delivery of such offer to Franchisor, or if the proposed Transferee makes any proposed material modification to such offer, Franchisor will again have the right of first refusal set forth in this Section 12.11.

Article 13 - Successors And Assigns

This Agreement shall bind and inure to the benefit of the successors, permitted transferees and assigns, personal representatives, heirs and legatees of the parties hereto.

Article 14 – Termination

14.01 **Termination By Franchisee.** Franchisee may terminate this Agreement only upon written notice to and written consent of Franchisor, which consent may be withheld for any reason or no stated reason. Franchisee shall remain obligated to comply with all post-termination covenants and outstanding obligations, which may include, but are not limited to the payment of liquidated damages to Franchisor as provided herein.

14.02 Termination **by Franchisor With Cause.** Franchisor may terminate this Agreement if Franchisee defaults under the Agreement as provided herein or is in default under any other agreement with Franchisor, its Affiliates or third parties. Franchisor's election to terminate this Agreement with Franchisee in no way constitutes a waiver of Franchisor's rights hereunder or any other rights or remedies available at law or in equity, including its right to damages. Termination of this Agreement encompasses termination of any and all rights granted to Franchisee by Franchisor hereunder.

14.03 **Termination Without Notice.** This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following, which Franchisee agrees constitute good cause for termination:

14.03.1 Voluntary **Bankruptcy**. If Franchisee makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files or acquiesces in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consents to or acquiesces in the appointment of a trustee or receiver for Franchisee or the Licensed Business.

14.03.2 **Involuntary Bankruptcy**. If proceedings are commenced to have Franchisee adjudicated bankrupt or to seek Franchisee's reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for Franchisee or the Licensed Business without Franchisee's consent, and the appointment is not vacated within 60 days.

14.03.3 **Unauthorized Transfer**. If Franchisee purports to sell, transfer or otherwise dispose of Franchise or any interest in the Franchise Business in violation of Section 12 hereof.

14.03.4 **Use of Unapproved or Unauthorized Products**. If Franchisee uses any chemical or product in the delivery of its services to any customer of its Licensed Business that has not been approved or authorized by Franchisor.

14.04 **Termination With Notice and Without Opportunity to Cure.** Franchisor has the right to terminate this Agreement upon notice without providing Franchisee an opportunity to cure for any of the following breaches or defaults:

14.04.1 **Criminal Acts/Other Misconduct**. If Franchisee or Franchisee's principals are convicted of or plead guilty or no contest to a felony or take part in any criminal misconduct or other misconduct that negatively impacts the Licensed Marks or the operation of the Licensed Business.

14.04.2 **Fraud**. If Franchisee or Franchisee's Principal Owners commit any fraud or misrepresentation in the operation of the Licensed Business.

14.04.3 **Misrepresentation**. If Franchisee or Franchisee's Principal Owners make any misrepresentation or omission in connection with Franchisee's franchise application, including but not limited to any financial misrepresentation.

14.04.4 **Failure to Complete Training**. If Franchisee fails to complete the Initial Training or such other training as Franchisor may require.

14.04.5 **Repeated Breaches**. Franchisee (or any of its owners) (a) fails on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not Franchisor notifies Franchisee of the failures, and, if Franchisor does notify Franchisee of the failures, whether or not Franchisee corrects the failures after Franchisor's delivery of notice; or (b) fails on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not Franchisor notifies Franchisee of the failures, and if Franchisor does notify Franchisee of the failures, whether or not Franchisee corrects the failures after Franchisor's delivery of notice.

14.04.6 **Misuse of the Licensed Marks or Confidential Information**. If Franchisee or Franchisee's principals materially violate any provision hereof pertaining to the Licensed Marks or Confidential Information or misuse the Licensed Marks or Confidential Information.

14.04.7 **Violation of Health or Safety Code**. If Franchisee violates any health, safety or sanitation law, ordinance or regulation or operates the Licensed Business in a manner that presents a health or safety hazard to customers, or the general public and fails to cure said violation within seventy-two (72) hours of receiving notice from Franchisor or any third party any third party.

14.04.8 **Violation of In-term Restrictive Covenant**. If Franchisee violates the in-term restrictive covenant contained in Article 16.

14.04.9 **Liens**. If a levy of writ of attachment or execution or any other lien is placed against Franchisee or any of Franchisee's principals or any of their assets which is not released or bonded against within 30 days.

14.04.10 **Insolvency**. If Franchisee or any of Franchisee's principals become insolvent.

14.04.11 **Abandonment**. If Franchisee voluntarily or otherwise abandons the Licensed Business. The term "abandon" includes any conduct which indicates a desire or intent to discontinue the Licensed Business in accordance with the terms of this Agreement and will apply if Franchisee fails to operate the Licensed Business for a period of three (3) or more consecutive business days without Franchisor's prior written approval.

14.04.12 **Insurance**. Franchisee fails to maintain insurance or to repay Franchisor for insurance paid for by it, or otherwise fail to adhere to the requirements of Section 8.02.

14.04.13 **Government Regulations**. Franchisee fails, within thirty (30) calendar days after notification of non-compliance by federal, state or local government authorities to comply with any law or regulation applicable to the Licensed Business.

14.04.14 **Government Actions**. Any government action is taken against Franchisee that results in any obligation upon Franchisor which in Franchisor's sole judgment is uneconomical, not in the best interests of Franchisor, or would result in Franchisor having an unintended relationship or obligation.

14.04.15 **Anti-Terrorist Activities**. Franchisee fails to comply with the provisions of Section 7.18.

14.04.16 Franchisee underreports Gross Revenues by five (5%) percent or more in any Royalty Report or Franchisee underreports Gross Revenues by more than two (2%) percent in three (3) Royalty Reports during any thirty-six (36) month period.

14.04.17 **Breach of Other Agreements**. If Franchisee commits any fraud, criminal acts or other misconduct or makes any misrepresentation or omission to Franchisor relating to any other agreement with Franchisor or Franchisor's affiliates.

14.05 **Termination by Franchisor After Notice and Opportunity to Cure.** Franchisee will have ten (10) days, or any greater number of days permitted by Franchisor or required by law, to cure any default for which Franchisor has given written notice of termination to Franchisee under this Section 14.05 and to provide Franchisor with evidence of the cure. If a default is not cured within that period, or any longer period permitted by Franchisor or required by law, this Agreement will terminate without the need for further notice to Franchisee, effective immediately on the expiration of the ten (10) day cure period permitted by Franchisor or required by law. Franchisor may give written notice of termination under this Section 14.05 if any of the following events occur or conditions exist:

14.05.1 **Nonpayment**. If Franchisee fails to pay when due any sums owed to Franchisor, any of Franchisor's affiliates, or any of Franchisor's suppliers or vendors.

14.05.2 Failure **to Open**. If Franchisee fails to commence operations of the Licensed Business within Six (6) months of the execution of this Agreement.

14.05.3 **Interruption of Service**. If Franchisee fails to maintain the prescribed months, days or hours of operation at the Licensed Business.

14.05.4 **Failure to Personally Supervise Business Operations or Employ Adequate Personnel**. If Franchisee fails to personally, or through an approved manager, supervise the day-to- day operation of the Licensed Business or fails to employ a sufficient number of qualified, competent personnel as Franchisor requires from time to time.

14.05.5 **Quality Control**. If Franchisee fails to maintain the strict quality controls reasonably required by this Agreement and/or the Operations Manual.

14.05.6 **Licenses and Permits**. Franchisee fails to procure or maintain any licenses, certifications, or permits necessary for the operation of the Licensed Business.

14.05.7 Franchisee fails to comply with the transfer requirements of Article 12.

14.05.8 Except as provided herein, Franchisee (or any of its Owners) fails to comply with any other provision of this Agreement, any System Standards or as specified in the Operating Manual, or otherwise by Franchisor in writing.

14.05.9 Franchisee fails to make the required Local Advertising expenditures.

14.05.10 Franchisee or its owners default in any other agreement with Franchisor, its Affiliates, any supplier or third-party and such default is not cured in accordance with the terms of such agreement.

14.06 **Nonwaiver.** Franchisor's delay in exercising or failing to exercise any right or remedy under this Agreement or Franchisor's acceptance of any late or partial payment due hereunder will not constitute a waiver of Franchisor's rights against Franchisee.

14.07 **Step In Rights.** In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right, or any other rights Franchisor may have against Franchisee, upon a failure to cure any default within the applicable time period (if any), Franchisor has the right, but not the obligation, to enter upon the premises of the Licensed Business and exercise complete authority with respect to the operation of the Licensed Business until such time as Franchisor determines that the default has been cured, and Franchisee is otherwise in compliance with this Agreement. In the event Franchisor exercises the rights described in this Section, Franchisee must reimburse Franchisor for all reasonable costs and overhead, if any, incurred in connection with its operation of the Licensed Business including, without limitations, costs of personnel for supervising and staffing the Licensed Business and their travel and lodging accommodations, as well as pay a fee of up to $500 per day. If Franchisor undertakes to operate the Licensed Business pursuant to this Section, Franchisee agrees to indemnify and hold Franchisor (and Franchisor's representative(s) and employees) harmless from and against any fines, claims, suits or proceedings which may arise out of Franchisor's operation of the Licensed Business.

14.08 **Franchisor's Right to Withhold Services or Products.** During any period of uncured default by Franchisee, Franchisor shall have the right to withhold or discontinue providing all services to Franchisee, including but not limited to the right to suspend Franchisee's right to purchase products from Franchisor's affiliates.

Article 15 - Competition With Franchisor

15.01 Competing Business Activities During Term.

During the term of this Agreement, Franchisee shall not engage, directly or indirectly, either personally or as an employee, partner, member, manager, franchisor, franchisee, agent, consultant, shareholder, director, officer, advisor or otherwise, in any other business the same as or similar to that defined under "Licensed Business" herein or which is or would directly or indirectly compete with the Licensed Business or otherwise with the business of Franchisor or with any other franchisee of Franchisor. This prohibition includes, but is not limited to, operating a business providing Science Technology Engineering Math enrichment education and tutoring services to elementary, middle and high school students. Franchisee shall not operate any other business from the Premises. Franchisee shall not use nor permit to be used any Trade Secret(s) of Franchisor or the Marks or anything resembling the Marks in connection with any other

business, whether or not such other business is owned, controlled by or associated with Franchisee.

15.01 Competing Business Activities After Term.

15.01.1 Franchisee covenants and agrees that, for a period of twenty four (24) months following the effective date of any termination, expiration or non-renewal ("the Termination Date"), Franchisee will not, individually or together with another, directly or indirectly, on its own behalf or on behalf of or through any other person, sole proprietorship, or Entity, do any of the following:

15.01.1.1 Within a fifty (50) mile radius of the boundary of Franchisee's designated Territory, as it existed immediately before the Termination Date, engage in the operation of a business in providing Science Technology Engineering Math enrichment education and tutoring services to elementary, middle and high school students, any aspect of such Licensed Business as it exists on the Termination Date, or any business substantially similar thereto or tending to compete for the same customers as Franchisor or its Franchisees (“Prohibited Activities”);

15.01.1.2 Solicit, take away, or divert, and/or influence or attempt to influence any customers, franchisees, vendors, clients, and/or patrons of Franchisor or of any franchisee of Franchisor, which customers, franchisees, vendors, clients, and/or patrons were served by Franchisor or a franchisee of Franchisor at any time during the two (2) years preceding the Termination Date, to transfer or divert their business or patronage from Franchisor or Franchisor's franchisee(s) to any other person or Entity engaged in the Prohibited Activities or anything similar to the Licensed Business;

15.01.1.3 Solicit or attempt to hire any person who was an employee of Franchisor or of any other franchisee of Franchisor during the two (2) years period ending on the Termination Date or attempt to influence any such person to terminate his employment with Franchisor or Franchisor's franchisee(s).

15.01.2 Franchisee covenants and agrees that, at no time will Franchisee, directly or indirectly, disclose or cause or permit to be disclosed, sell, or otherwise transfer to any party other than Franchisor, including, but not limited to, a person or Entity, for or not for consideration, the Trade Secrets, or any part thereof;

15.01.3 Franchisee covenants and agrees that, for a period of twenty four (24) months from the Termination Date, Franchisee will not, individually or together with another, directly or indirectly, through others or on its own behalf, hold any ownership or have a financial or other interest in, be employed by, or otherwise have any ownership or management relationship with, any person or Entity, either as principal, broker, member, agent, stockholder of any class, or as a partner, officer, director, trustee, franchisee, franchisor, employee, consultant, lender, guarantor, member of a board of directors or board of trustees,, which does any of the following within fifty (50) miles of the territory of Franchisee or any other Franchisee of Franchisor:

15.01.3.1 Competes with Franchisor or any franchisee of Franchisor;

15.01.3.2 Solicits, takes away, or diverts, and/or influences or attempts to influence any customers, clients, franchisees, vendors, and/or patrons of Franchisor or of any other franchisee of Franchisor, which customers, clients, franchisees, vendors, and/or patrons were served by Franchisor or any franchisee of Franchisor at any time during the two (2) years preceding the Termination Date, to transfer or divert their business or patronage from Franchisor or any other franchisee to any other person or Entity engaged in the Prohibited Activities or anything similar to the Licensed Business;

15.01.3.3 Solicits or attempts to hire any person who was an employee of Franchisor or of any other franchisee of Franchisor during the two (2) year period ending on the Termination

Date or attempts to influence any such person to terminate his employment with Franchisor or any franchisee of Franchisor.

15.01.4 Franchisee covenants and agrees that, at no time will Franchisee, directly or indirectly, through others or on its own behalf, hold any ownership or have a financial or other interest in, be employed by, or otherwise have any ownership or management relationship with, any person or Entity, either as principal, broker, agent, stockholder of any class, or as a member, partner, officer, director, trustee, franchisee, Franchisor, employee, consultant, lender, guarantor, member of a board of directors or board of trustees, or in any other capacity, which, discloses or causes to be disclosed, sells, or otherwise transfers to any party other than Franchisor, including, but not limited to, a person, sole proprietorship, partnership, joint venture, firm, limited liability company, corporation, trust, or other Entity, for or not for consideration, the Trade Secrets, or any part thereof;

15.01.5 Franchisee acknowledges and agrees that the periods of time of this covenant and the geographical areas of restriction imposed by this covenant are fair and reasonable and are reasonably required for the protection of Franchisor and its franchisees. Franchisee would desire at least this same protection against competitive activities by another former franchisee whose franchise agreement was either expired, terminated or non-renewed. Franchisee agrees that, in the event a court or arbitrator should determine any part of this covenant to be excessively broad, unenforceable, and/or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof. Franchisee further agrees that, in the event that any of the provisions of this Agreement relating to the geographic area of restriction or the periods of time of the covenants shall be deemed to exceed the maximum area or periods of time which a court of competent jurisdiction would deem enforceable, the geographic area or periods of time shall, without further action on the part of any person, be deemed to be modified, amended and/or limited, to the maximum geographic area or time periods which a court of competent jurisdiction would deem valid and enforceable in any jurisdiction in which such court shall be convened. Any such modification shall apply only in the jurisdiction of the deciding court or in the state where the arbitrator made the decision.

15.01.6 It shall not be a violation of this Article for Franchisee to have or maintain a passive investment in stock of any publicly traded corporation, provided said stock holdings shall not exceed five percent (5%) of the issued and outstanding stock of such corporation.

15.01.7 For purposes of this Agreement, all references to Franchisor shall be deemed to include: (a) any corporation or entity which acquires all, or substantially all, of the assets of Franchisor, whether by statutory merger or otherwise, (b) any corporation, partnership, or other entity directly or indirectly controlled by or under common control with Franchisor or its successor, and (c) any sub franchisor or other assignee of Franchisor.

15.01.8 Franchisee agrees that it would be extremely difficult to prove with certainty the exact amount of damages caused to Franchisor by a violation of this Article 16 by Franchisee and therefore, Franchisee agrees that, upon proof that Franchisee violated this Article 16, Franchisor shall be entitled to liquidated damages in an amount calculated by multiplying the amount of gross revenues generated by Franchisee or a third party that benefited from the violation during the period of breach and multiplying it by 1.5. Franchisee acknowledges that this results in a reasonable estimate of what Franchisor's actual damages would be and is not a penalty.

15.01.9 Franchisee agrees that any violation of the covenants contained in this Article will cause irreparable harm to Franchisor and its other franchisees and may, as a matter of course, be restrained by process issued out of a court of competent jurisdiction, in addition to any other remedies provided by law. In the event of any action for a temporary or permanent injunction to enforce this Covenant, Franchisee hereby waives any requirement of a bond to the extent that

any bond would exceed one hundred dollars. The substantially prevailing party in any such enforcement action shall be entitled to recover their attorney's fees and costs incurred therein in addition to any and all other remedies.

15.01.10 Nothing in this Article 16 shall obligate Franchisor to take action to enforce this or any other covenant against competition against any other franchisee or former franchisee. Nothing in this Article 16 shall entitle Franchisee to take any action to enforce this or any other covenant against competition against any other franchisee or former franchisee.

15.01.11 The terms of this Article 16 shall survive the termination or expiration of this Agreement for any reason.

Article 16 - Effect Of Termination

16.01 Loss Of Rights.

After the Termination Date, Franchisee shall have no further rights to use, in any manner, the System, the Marks, anything similar to the Marks, the telephone numbers, the telephone listings, any proprietary computer software, any trade secrets or the Manual. Franchisee shall immediately notify such persons as Franchisor shall reasonably require of Franchisee's loss of rights thereto. All sums of money due from Franchisee to Franchisor or to any other STEM Builders Learning Center franchisee as of the Termination Date shall become immediately due and payable. As between the parties hereto, whether or not a Lease Conditional Assignment Agreement has been signed, Franchisor or Franchisor's designee shall have the option, exercisable within thirty (30) days, to assume the lease for the Premises. If Franchisor elects to assume the lease for the Premises, pursuant to the Lease Conditional Assignment Agreement or otherwise, Franchisee agrees to cooperate in the transfer, to execute any documents which may be required for Franchisor or Franchisor's designee to assume the lease, and to otherwise take no actions which would interfere with the ability of Franchisor or it's designee to assume the said lease. Franchisee specifically agrees to execute such document(s) as may be necessary to transfer the telephone number(s) to Franchisor or Franchisor's designee. In the event Franchisee or any owner or affiliate of Franchisee owns the Premises, Franchisee.

agrees that Franchisor shall have the option to lease the Premises at fair market value for a term of up to ten (10) years, at Franchisor's election, such option exercisable by Franchisor within thirty (30) days following the Termination Date.

16.02 Change of Identity.

After the Termination Date, Franchisee shall immediately refrain from holding itself out to the public in any way as a Franchisee or affiliate of Franchisor or as a former Franchisee or affiliate of Franchisor. If directed by Franchisor, Franchisee shall, at Franchisee's sole cost and expense, make or cause to be made such changes in signs, telephone numbers, buildings or structures as Franchisor may direct to distinguish the Premises from its former appearance and from other STEM Builders Learning Center franchisees. If Franchisee fails to make such changes thirty (30) calendar days, then Franchisor shall have the right to enter upon the Premises, without liability for trespass or otherwise, and to make or cause to be made such changes at the expense of Franchisee, which expenses shall be paid by Franchisee upon demand. Franchisee shall immediately file the appropriate forms to abandon or withdraw any assumed name certificate or to change the name of its corporation or partnership to eliminate any reference to the System or the Marks. If Franchisee fails or refuses to cooperate with Franchisor, Franchisee hereby appoints Franchisor as its Attorney in Fact to complete the changeover. Franchisee shall immediately return to Franchisor the Manual, Trade Secrets, bulletins, instruction sheets, software, forms, Marks, designs, signs, printed matter and other material containing any part of

the System or the Marks together with all copies thereof (including electronic or digital copies) that are or have been within Franchisee's custody or control.

16.03 Changeover Procedure.

Upon termination of this Agreement, either by expiration, non-renewal, or otherwise, if Franchisor or Franchisor's designee has indicated its intention to assume Franchisee's lease for the Premises and to operate a **STEM Builders Learning Center** business from that location, the parties agree to cooperate in the changeover of the Licensed Business to Franchisor, including by taking the steps set forth herein. If Franchisee fails or refuses to cooperate with Franchisor, Franchisee hereby appoints Franchisor as its Attorney in Fact to complete the changeover. In such case, the parties shall: notify the landlord of the change of tenancy pursuant to the Lease Conditional Assignment Agreement or otherwise and Franchisor shall be entitled to take control of the Premises, including by changing the locks; terminate vendor accounts at Franchisor's option; conduct an inventory of all equipment, fixtures, tenant improvements, supplies and inventory (if Franchisee elects to not participate in the inventory, Franchisor's inventory shall be presumed accurate and complete); Franchisor shall have the right to use Franchisee's equipment, furniture, fixtures and related items for up to sixty (60) days and shall pay or credit Franchisee with the fair market rental value of that use; Franchisor shall be entitled to communicate directly with Franchisee's agents, employees, customers and vendors in order to facilitate a smooth transition to ownership by Franchisor or Franchisor's designee; Franchisor or it's designee shall be entitled to all Gross Revenues received after the date of termination. No action taken pursuant to this paragraph shall constitute a waiver by Franchisor of any claims against Franchisee for any reason. The parties agree that there are no circumstances justifying a stay or delay in implementation of the terms of this paragraph and the parties specifically agree that any claims, including, but not limited to, allegations of wrongful termination, can be separately resolved and that an award of damages would be an adequate remedy.

16.04 Continuing Royalties.

Franchisor shall be entitled to receive royalties received or receivable by Franchisee as of the Termination Date. All such royalties shall be due and payable on the Termination Date.

16.05 Option to Purchase Certain Assets.

Franchisor shall have and is hereby granted an exclusive option for a period of sixty (60) days from and after the Termination Date, to purchase from Franchisee all of Franchisee's right, title and interest in all or any part of the franchise, Franchisee's Licensed Business and business assets and/or the Premises, if applicable, at the fair market value, except as otherwise specifically provided herein, of all assets purchased, but excluding any value for purported "goodwill" or "blue sky". Franchisee acknowledges that Franchisor or its Affiliate(s) already own the "goodwill" or "blue sky", which is attached to the Marks and the Licensed Business. Franchisor's notice exercising the option granted herein shall contain a list, at least by major category, of the assets Franchisor is purchasing. Franchisor shall not be obligated to assume any liabilities of Franchisee.

16.06 Payment And Terms.

Franchisor shall pay to Franchisee all sums due pursuant to this Article, and any other sums required by this Agreement or by law, over a period of sixty months, or such shorter period as Franchisor, in its sole discretion, shall elect, with interest thereon at the prime interest rate as published by Bank of America or its successor, if applicable, determined as of the end of the calendar quarter immediately preceding the Termination Date.

16.07 Survival Of Terms.

The terms of this Article 17 shall survive the termination, non-renewal or expiration of this Agreement for any reason.

Article 17 - Arbitration of Disputes.

17.01 Agreement to Arbitrate.

Except as provided in paragraph 17.04, any controversy or claim or dispute with a value of greater than fifty thousand dollars ($50,000.00) between the parties hereto or between any party hereto and any other person arising out of or relating to this Agreement, the negotiation thereof, the offer or acceptance thereof, or the performance or breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. This Article shall be governed by the Federal Arbitration Act. Any arbitration shall be before a panel of three arbitrators and shall take place in Hennepin County, Minnesota, U.S.A. No party shall join or attempt to join their claims in a single proceeding with the claims of any other party, person or entity even if similarly situated. The parties shall bear their own expenses, including their own attorney's fees and costs and shall share equally all expenses of the arbitrator.

17.02 Conduct of Arbitration.

Unless otherwise specifically required by applicable law, demand for arbitration or proceedings in arbitration, or court proceedings shall not operate to stay, postpone, prohibit or rescind any expiration, termination or non-renewal of this Agreement as provided in this Agreement, and the parties will be limited to their remedy in damages, as determined by the court or arbitrator, for non-renewal or termination found by the arbitrator to be wrongful. Damages would be an adequate remedy for any such wrongs. The court or arbitrator shall not extend, modify or suspend any of the terms of this Agreement or the reasonable standards of business performance set by Franchisor. The arbitrators shall permit discovery between the parties pursuant to the Federal Rules of Civil Procedure.

17.03 Conditions Precedent to Arbitration.

As conditions precedent to commencing an arbitration proceeding pursuant to this Agreement, the parties shall first comply with the terms of this paragraph 19.03. Failure to comply with this paragraph shall be a material breach of this Agreement and shall entitle the non-defaulting party to an award of all of their attorney's fees and costs reasonably expended in enforcing the terms of this paragraph. Such award of attorney's fees shall be made by the court enforcing this paragraph and shall be paid by the breaching party before and as a condition precedent to further proceeding in accordance with this Article. For the limited purpose of enforcing this paragraph 19.03, each party hereby waives arbitration, and the matter shall be heard in the Hennepin County Superior Court in Plymouth, Minnesota, U.S.A. Within not more than sixty days following the date on which the aggrieved party first discovered or reasonably should have discovered the facts of a dispute between the parties, but not more than one year after the date of the events or facts which gave rise to the dispute, the aggrieved party shall give a Notice to the other party (and any involved other persons) of the existence of the dispute, and shall set forth, in writing, a detailed description of the relevant facts together with a reasonably detailed description of the legal basis of the claim. The Notice shall include a detailed description by the aggrieved party of the remedy or outcome desired. The non-aggrieved party shall respond to the Notice within thirty days following its receipt. If the Notice and response does not resolve the dispute, the parties

shall meet, in person, within sixty days following the date of the non-aggrieved party's response, in the corporate offices of the Franchisor, and attempt to informally resolve the matter. If the informal meeting does not resolve the matter, the parties shall, within sixty days following the date of the informal meeting, submit to non- binding mediation in Plymouth, Minnesota with a mediator selected according to the rules of the American Arbitration Association. If the dispute is not resolved through mediation, then either party may commence an arbitration proceeding, but must do so within ninety days following the date that either party or the mediator has declared the mediation terminated. The demand for arbitration shall contain a certificate by the party commencing arbitration that the party has fully complied with every provision of this paragraph 19.03. Copies of the Notice and the response thereto exchanged pursuant to this paragraph shall be attached to the demand for arbitration and the issues in the arbitration shall be limited to matters contained therein.

17.04 Limited Exceptions to Arbitration and Mediation.

The requirements of paragraphs 17.01, 17.02, and 17.03 shall not apply to actions with an amount in controversy of less than fifty thousand dollars ($50,000.00), or actions for the sole purpose of collecting unpaid money, including franchise fees, royalties or Marketing Fees pursuant to this Agreement or to actions for the sole purpose of enforcing Franchisor's rights in the Marks (both for injunctive relief and damages), the Trade Secrets or the covenant against competition. Such actions and claims are not submitted to arbitration. Any such actions and claims shall be brought in the Hennepin County District Court in Minneapolis, Minnesota, U.S.A. Any counterclaims to such actions and claims are submitted to arbitration and shall be subject to paragraphs 17.01, 17.02 and 17.03.

Article 18 - Representations Of Franchisee

18.01 Representations

Franchisee represents and warrants as follows:

18.01.01 Franchisee is not currently a party to or subject to any contract or agreement, including any other franchise agreement, employment agreement or any covenant not to compete which would directly or indirectly be breached by entering into this Agreement or which would directly or indirectly prohibit or restrict Franchisee's signing of this Agreement or performance thereunder;

18.01.02 Franchisee is executing this Agreement and purchasing the license herein for Franchisee's own account and not as an agent or representative of another (unless for an Entity otherwise named herein and in compliance herewith);

18.01.03 Franchisee intends to be actively involved in the Licensed Business for the entire term of this Agreement and knows of no reason that he/she might become a passive owner;

18.01.04 Franchisee is basing Franchisee's decision to purchase this license, in full, upon statements and representations contained in this Agreement and the STEM Builders Learning Center Franchise Disclosure Document and upon facts obtained pursuant to Franchisee's own investigation. Franchisee is not relying upon any statements or any information received either directly or indirectly from Franchisor or any person acting or purporting to act on behalf of Franchisor which information or statements are not contained in this Agreement or the STEM Builders Learning Center Franchise Disclosure Document or otherwise in writing and signed by an officer of Franchisor. Franchisee has not received any earnings claims or financial performance information, directly or indirectly, from Franchisor excepting only such information

as may be contained in Item 19 of the STEM Builders Learning Center Franchise Disclosure Document.

18.01.05 Franchisee has not terminated and will not terminate Franchisee's existing employment or cease any other income-producing activity until after franchisee has an approved location, has successfully completed the Initial Training, and is open for business. If Franchisee elects, notwithstanding this subparagraph, to terminate employment or income-producing activity, Franchisee knowingly assumes the risk of loss of income and does so contrary to Franchisor's advice.

Article 19 - Miscellaneous Provisions

19.01 Nonwaiver.

No act or omission or delay in enforcing a right by either party shall waive any right under or breach by the other of this Agreement unless such party executes and delivers a written waiver. The waiver by either party of any right under or breach of this Agreement shall not be a waiver of any subsequent or continuing right or breach.

19.02 Attorneys' Fees.

In the event that legal action is properly commenced in court by either party to enforce this Agreement or to determine the rights of any party, as permitted by Article 19, including any appeal proceeding, the substantially prevailing party, in addition to any other remedy, shall be entitled to receive its reasonable actual attorney's fees and costs, including expert fees and fees on appeal.

19.03 Severability.

In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction or by an arbitration panel, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby, and full effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid, unless such invalidity shall pertain to the obligation to pay fees, in which event this Agreement shall terminate.

19.04 Warranty Of Authority.

Each person signing this Agreement for or on behalf of any party to this Agreement warrants that he/she has full authority to sign and to legally bind the party.

19.05 Estoppel Certificate

In the event that Franchisor is considering transferring, assigning or encumbering this Agreement, the System, or any other of Franchisor's rights or assets, or upon request by Franchisor at any time, Franchisee shall, within ten (10) calendar days after Franchisor shall request the same, execute, acknowledge and deliver to Franchisor, a written certificate that (a) this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement as so modified is in full force and effect); (b) the date to which royalties or other charges have been paid in advance, if any; (c) there are not, to Franchisee's knowledge, any uncured defaults on the part of Franchisor or Franchisee hereunder, or specifying such defaults if any are claimed; (d) setting forth the dates of commencement and expiration of the Term of this Agreement; (e) Franchisee has and knows of no basis for any claims of any kind against Franchisor (or, if Franchisee has or knows of any such claims, a detailed statement of all such claims and a statement that Franchisee has and knows of no other claims); and (f) any other matter upon which certification is requested by Franchisor or a prospective assignee or encumbrancer. Franchisor may rely upon any certificate

given pursuant to this subparagraph as may any prospective purchaser or encumbrancer of all or any portion of Franchisor's rights hereunder. Any failure or refusal to timely execute a truthful certificate pursuant to this subparagraph shall be a material breach of this Agreement.

19.06 Paragraph Headings.

The various paragraph headings are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement or any portion thereof.

19.07 Recitals.

The recitals preceding the first numbered paragraph of this Agreement are hereby made part of this Agreement as if set forth within the numbered paragraphs. All references to “Franchisee” shall include all owners, parents and subsidiaries of Franchisee if Franchisee is an entity.

19.08 No Third-Party Beneficiary.

Nothing in this Agreement shall be construed to give Franchisee any rights as a third-party beneficiary or otherwise arising out of any similar or other agreement(s) between Franchisor and any other franchisee(s). Nothing in this Agreement shall be construed to give to any other franchisee or any other person any rights arising out of this Agreement. Any action or inaction by Franchisor with regard to any other franchisee's performance or non- performance as to any term of this or any similar agreement shall not give rise to any claims or rights in favor of Franchisee under this Agreement.

19.09 Choice Of Law.

Except as otherwise specified herein, this Agreement shall be governed by and construed under the laws of the State of Minnesota.

19.10 Notices.

All notices required or permitted by this Agreement ("Notice” or “Notices") shall be sent to the respective parties at the addresses set forth herein. The place of Notice may be modified by appropriate Notice to the other party. All Notices shall be sent by certified mail, return receipt requested, postage prepaid, personally delivered, or by facsimile, overnight delivery. Notices shall be deemed given at the earlier of (a) receipt by the addressee, including by facsimile or electronic mail, (b) two (2) days following deposit with the United States Postal Service or its successor, with postage prepaid, or (c) immediately upon refusal of delivery by the addressee.

19.11 Entire Agreement.

This document, together with any exhibits and addenda appended hereto, constitutes the full and complete agreement between the parties hereto with respect to the subject matter hereof. There are no verbal or other agreements that affect or modify this Agreement. Any prior or contemporaneous representations, promises, contracts or agreements not contained in this Agreement or the Franchise Disclosure Document presented herewith are hereby fully superseded.

19.12 Modification.

This Agreement shall not be modified or changed except by a written agreement executed by an officer of Franchisor. No approval of a deviation from the terms of this Agreement shall be valid unless signed by an officer of Franchisor.

19.13 Effective Date.

This Agreement shall have no force or effect unless and until signed by an officer of Franchisor. The effective date shall be the date of such corporate signature. Notwithstanding the order of signatures, this Agreement shall be deemed made and entered into in the state where the Licensed Business is located.

19.14 Time of Essence.

Time is of the essence of this Agreement.

Article 20 - Business Risk.

20.01 No Promises.

Franchisee has been informed by Franchisor, realizes and acknowledges that the business venture contemplated by this Agreement involves business risks and its success or failure will be largely dependent upon Franchisee's abilities in operating and managing the Licensed Business. Except to the extent expressly set forth in the STEM Builders Learning Center Franchise Disclosure Document, neither Franchisor nor anyone acting or purporting to act on behalf of Franchisor has made any promises or warranties, expressed or implied, as to Franchisee's potential sales, profits or success. As to those issues, Franchisee has made its own investigation and evaluation.

20.02 Receipt for Disclosure Document.

Franchisee has received a copy of this Agreement and the STEM Builders Learning Center Franchise Disclosure Document at least fourteen (14) days before signing this Agreement or paying any fee to Franchisor. Franchisee has received a complete copy of this Agreement and all exhibits and addenda, with all material blanks filled in, at least five (5) days before signing this Agreement. Franchisee has been encouraged and provided ample opportunity to consult an attorney or other advisor(s) of its own choosing before entering into this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year indicated below.

Dated:_____ [effective date]

FRANCHISOR:

STEM Builders Learning Center

By _____

Kalyan Chanda, CEO

STEM Builders Learning Center LLC
16400 61st Ave N,
Plymouth, MN - 55446
(763)-205-0488

Date signed: _____

FRANCHISEE:

By _____

Address:

Phone:

STATE LAW ADDENDUM TO FRANCHISE AGREEMENT

ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED FOR ILLINOIS FRANCHISEES

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____ between STEM Builders Learning Center, LLC. ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. This Agreement shall be governed by Illinois law.

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

3. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

5. Section 4.1 of the Franchise Agreement is amended to add the following: "The payment of the Initial Franchise Fee is deferred until franchisor has satisfied its pre-opening obligations to Franchisee and Franchisee has commenced doing business. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition."

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:
STEM Builders Learning Center, LLC

By:_____

Printed Name: Kalyan Chanda

Title: Chief Executive Officer
Date:_____

FRANCHISEE:
_____

By: _____

Printed Name: _____

Title: _____
Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR MARYLAND FRANCHISEES

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____ between STEM Builders Learning Center, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Maryland; (b) Franchisee is a resident of the State of Maryland; and/or (c) the STEM Builders Franchised Business will be located or operated in the State of Maryland.

2. The following sentence is added to the end of Section 1:

Representations in the Franchise Agreement are not intended to, nor shall they act as a release, estoppels, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. The following sentence is added to the end of Sections 2.2.6 and 13.3.9:

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

4. The following sentence is added to the end of Section 16.7:

Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law, provided that the Franchise Agreement may provide for arbitration in a forum outside of Maryland.

5. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

6. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. The 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.

8. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

9. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:	**FRANCHISEE:**
STEM Builders Learning Center, LLC	_____
By:_____	By: _____
Printed Name: Kalyan Chanda	Printed Name: _____
Title: Chief Executive Officer	Title: _____
Date:_____	Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED FOR MINNESOTA FRANCHISEES

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____ between STEM Builders Learning Center, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Minnesota; (b) Franchisee is a resident of the State of Minnesota; and/or (c) the STEM Builders Franchised Business will be located or operated in the State of Minnesota.

2. With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, subdivisions 3,4, and 5 which require, except in certain cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

3. Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposes by Minnesota Statute §§ 80C.01 – 80c.22.

4. Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring arbitration or litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or the Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

5. NSF Checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

6. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

7. Any limitations on claims must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

8. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

9. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

_____

initials

FRANCHISOR:

STEM Builders Learning Center, LLC

By:_____

Printed Name: Kalyan Chanda

Title: Chief Executive Officer

Date: _____

FRANCHISEE:

_____

By: _____

Printed Name: _____

Title: _____

Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED FOR NEW YORK FRANCHISEES

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between STEM Builders Learning Center, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of New York; (b) Franchisee is a resident of the State of New York; and/or (c) the STEM Builders Franchised Business will be located or operated in the State of New York.

2. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

3. Any provision in the Franchise Agreement requiring Franchisee to sign a general release of claims against Franchisor does not release any claim Franchisee may have under New York General Business Law, Article 33, Sections 680-695.

4. Franchisor will not assign its rights under the Franchise Agreement except to an assignee who in Franchisor's good faith and judgment is willing and able to assume Franchisor's obligations under the-Franchise Agreement.

5. Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:

STEM Builders Learning Center, LLC

By:_____

Printed Name: Kalyan Chanda

Title: Chief Executive Officer

Date: _____

FRANCHISEE:

_____

By: _____

Printed Name: _____

Title: _____

Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR NORTH DAKOTA FRANCHISEES

This Addendum to the Franchise Agreement ("Franchise Agreement") dated_____ between STEM Builders Learning Center, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of North Dakota; (b) Franchisee is a resident of the State of North Dakota; and/or (c) the STEM Builders Franchised Business will be located or operated in the State of North Dakota.

2. Any general release the Franchisee is required to assent to shall not apply to any liability Franchisor may have under the North Dakota Franchise Investment Law.

3. Covenants not to compete are generally considered unenforceable in the State of North Dakota.

4. Under the North Dakota Franchise Investment Law, any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a State other than North Dakota is void, provided that the Franchise Agreement may provide for arbitration in a forum outside of North Dakota.

5. In any legal action or arbitration involving a franchise purchased in the state of North Dakota, the prevailing party is entitled to recover all costs and expenses, including attorney's fees. This section shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the North Dakota Franchise Investment Law, including the right to a trial by jury and the right to submit matters to the jurisdiction of the Courts of North Dakota.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:
STEM Builders Learning Center, LLC

By:_____
Printed Name: Kalyan Chanda

Title: Chief Executive Officer

Date: _____

FRANCHISEE:
_____

By: _____
Printed Name: _____

Title: _____

Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR RHODE ISLAND
FRANCHISEES

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between STEM Builders Learning Center, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Rhode Island; (b) Franchisee is a resident of the State of Rhode Island; and/or (c) the STEM Builders Franchised Business will be located or operated in the State of Rhode Island.

2. Section 19-28.1-14 of the Rhode Island Franchise investment Act provides that: "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:	**FRANCHISEE:**
STEM Builders Learning Center, LLC	_____
By:_____	By: _____
Printed Name: Kalyan Chanda	Printed Name: _____
Title: Chief Executive Officer	Title: _____
Date: _____	Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR SOUTH DAKOTA FRANCHISEES

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between e, STEM Builders Learning Center, LLC, ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of South Dakota; (b) Franchisee is a resident of the State of South Dakota; and/or (c) the STEM Builders Franchised Business will be located or operated in the State of South Dakota.

2. Any general release the Franchisee is required to assent to shall not apply to any liability Franchisor may have under the South Dakota Franchise Investment Law.

3. Covenants not to compete are generally considered unenforceable in the State of South Dakota.

4. Under the South Dakota Franchise Investment Law, any provision requiring franchisees to consent to the jurisdiction of courts outside South Dakota or to consent to the application of laws of a State other than South Dakota is void, provided that the Franchise Agreement may provide for arbitration in a forum outside of South Dakota.

5. In any legal action or arbitration involving a franchise purchased in the state of South Dakota, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees. This section shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the South Dakota Franchise Investment Law, including the right to a trial by jury and the right to submit matters to the jurisdiction of the Courts of South Dakota.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:	**FRANCHISEE:**
STEM Builders Learning Center, LLC	_____
By:_____	By: _____
Printed Name: Kalyan Chanda	Printed Name: _____
Title: Chief Executive Officer	Title: _____
Date: _____	Date: _____

STEM BUILDERS® Learning Center

_____
initials

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR WASHINGTON FRANCHISEES

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between STEM Builders Learning Center, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement, This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Washington; (b) Franchisee is a resident of the State of Washington; and/or (c) the STEM Builders Franchised Business will be located or operated in the State of Washington.

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

3. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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

9. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

10. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:	**FRANCHISEE:**
Stem Builders Learning Center, LLC	_____
By:_____	By: _____
Printed Name: Kalyan Chanda	Printed Name: _____
Title: Chief Executive Officer	Title: _____
Date: _____	Date: _____

FRANCHISE AGREEMENT

EXHIBIT "A"

INITIAL FRANCHISE FEE, TERRITORY, APPROVED LOCATION, AND FRANCHISEE OWNERSHIP

1. Initial Franchise Fee:

2. Description of Territory:

3. Franchisee's Principal Business Address, Telephone Number, and Facsimile Number:

   _____
   _____
   Tel.: _____
   Fax: _____

4. Address of Approved Location:

5. Name and Address of Each Owner of Franchisee and Percentage of Ownership:

   _____ ___%

   _____ ___%

6. Form of Franchisee (check applicable entity):
   ____ Corporation;
   ____ Partnership;
   ____ Limited Partnership;
   ____ Limited Liability Company;
   ____ Sole Proprietorship;
   Other (Specify) _____

   Organized Under the Laws of the State or Commonwealth of: _____

FRANCHISE AGREEMENT

EXHIBIT B

ELECTRONIC FUNDS AUTHORIZATION

a) As of the effective date of the Franchise Agreement (the "Agreement") and throughout the term of the Agreement, Franchisee agrees to establish and maintain a segregated bank account at a bank or other financial institution which Franchisor approves (the "Bank Account"). Franchisee may, in Franchisor's discretion, be required to establish and maintain an electronic funds transfer account ("EFT Account") and Franchisor or any affiliate may withdraw funds from the EFT Account in the amount of the Royalty, Brand Fund Contribution, and any other amounts due to Franchisor or any affiliates of Franchisor. Withdrawals may be made on the first business day the Royalty, Brand Fund Contribution, or any other amounts defined in the Agreement become due or on any succeeding day thereafter and if applicable, the amount of the withdrawal will be based on Gross Revenues, as indicated in the Royalty Report. The Bank Account must be established and maintained solely for the purposes set forth in the Agreement and the Operating Manual.

b) All Gross Revenues, as defined in the Agreement, shall be deposited into the Bank Account. Check stubs, bank statements and other records must be available for review in the event of an audit. Franchisee may use the STEM BUILDERS logo on trust or bank account checks, but only as part of the trade name and a statement that the Franchised Business is an "independently owned and operated STEM Builders business" must appear on the face of all such checks.

c) If Franchisor so requires, Franchisee agrees to instruct the institution holding the Bank Account to allow Franchisor or its affiliates access to the Bank Account for collection of Royalties and all other fees and payments provided for in the Agreement, as well as access to any and all records Franchisor deems necessary to review. The Bank Account must have the capacity to make payments and receive credits through electronic debiting. Franchisee hereby grants to Franchisor or its affiliates the right upon Franchisor's election to debit the Bank Account (electronically or otherwise) for Royalties, Brand Fund Contributions or any other amounts due and any and all amounts Franchisee owes Franchisor or its affiliates under the Agreement and Franchisee agrees to execute whatever documents the institution holding the Bank Account and Franchisor's financial institutions may require for this purpose. Under no circumstances will Franchisor's access to the Bank Account be deemed Franchisor's control or the joint control of the Bank Account. Franchisee shall execute and/or provide any documents or information necessary to fulfill these requirements.

d) Franchisee agrees to continuously maintain a minimum balance in the Bank Account adequate to cover the Franchisee's obligations under the Agreement or some higher continuous minimum balance as Franchisor deems reasonably necessary. Franchisee agrees to reimburse Franchisor for all costs Franchisor incurs in collecting or attempting to collect funds due to Franchisor and/or its affiliates from the Bank Account (for example and without limitation, charges for insufficient funds, uncollected funds or other discrepancies in deposits or maintenance of the Bank Account balance as required by the terms of the Agreement).

e) Franchisor will notify Franchisee of the date and amount of each debit Franchisor makes from Franchisee's Bank Account at the time and in the manner specified in the Confidential Operating Manual.

f) The Bank Account must be established so that Franchisor can audit it at any time upon notice to Franchisee. If an electronic funds transfer system enabling Franchisor to electronically debit Franchisee's Bank Account is not functioning at any time for any reason, Franchisee agrees to ensure that Franchisor and/or its affiliates otherwise receive payment for any and all amounts due Franchisor and/or its affiliates and by the date due, in the form of a check, money order or any other form acceptable to Franchisor.

g) Upon the termination or expiration of the Agreement, Franchisee agrees to keep the Bank Account open and to continue Franchisor's ability to debit the Bank Account until Franchisee has satisfied all financial obligations to Franchisor and its affiliates.

Franchisee:

_____

By: _____

STEM Builders Learning Center, LLC

By: _____
Kalyan Chanda, CEO

EXHIBIT C

Required Hardware and Software

The required hardware and software for the "STEM Builders Learning Center" Licensed Business is as set forth in the Manual. All hardware and software must comply with the specifications published in the Manual.

S.no	Item	Specifications
1	Audio/Video (TV)	55-65 Inch HDTV or Projector with USB/HDMI
2	Tablet - Option 1	Andriod Tablet
3	Tablet - Option 2	Apple IPAD Tablets
4	Tablet Mixed	Andriod & Apple atleast 50% each
5	Laptop	Intel core I5/I7 or equivalent
6	Office Laptop/Desktop	Intel Core I5/I7 or equivalent
7	Printer	Color /Inkjet
8	Robotics - Senior	LEGO MINDSTROM EV3 or newer
9	Robotics - Junior	LEGO WeDO or newer
10	Robotics – Intermediate	LEGO SPIKE or newer
11	Robotics – Advanced	Andriod starter kits or equivalent
12	Classroom Desktop	Intel core I5/I7 or equivalent
	Optional	
13	Scratch Program offered (might need additional laptops)	Any
14	TV for Guest View	Any
15	Laptop for Center Manager **Software** HomeBase EV3 MINDSTORM, WeDo Python Scratch & ScratchJr Adobe Quickbooks Arduino Sketch EV3 SPIKE	Any

EXHIBIT D

Items Subject To Specifications

You must purchase the following items or categories of items in compliance with Franchisor's specifications.

- Signs, banners, business cards, marketing materials and promotional items
- All Items bearing the Marks.
- All items of required equipment
- All material for STEM Builders Math program
- All material for STEM Science lab programs

EXHIBIT E

Lease Assignment Agreement

This Rider is attached to and is part of that certain Lease, by and between: _____ Lessor) and _____ (Lessee) dated _____ for the premises located at: _____, legally described in Annex A hereto.

A. CONDITIONAL ASSIGNMENT: Lessee hereby conditionally assigns all of the Lessee's right, title and interest in this lease to STEM Builders Learning Center, LLC (hereinafter, "Franchisor"). This assignment shall become effective only upon occurrence of both of the following conditions:

I. Termination of the STEM Builders Learning Center Franchise Agreement between Franchisor and Lessee as Franchisee for the operation of a STEM Builders Learning Center franchise within the leased premises, and

2. Exercise by Franchisor of its option to assume the obligations of and to replace Lessee as the lessee under this lease as provided in the said Franchise Agreement within fifteen (15) days after termination of said Franchise Agreement.

B. **Lessor** hereby consents to the said conditional assignment and hereby agrees that if said conditional assignment becomes effective, Franchisor shall thereafter be substituted for Lessee as the Lessee in this lease, Lessee shall be relieved of all liability accruing under this lease after the effective date of the assignment and Franchisor shall have the right to reassign this lease to a new Franchisee of Franchisor without the prior consent of Lessor. In the event of such reassignment, Franchisor shall be relieved of all liability accruing under this lease after the date of said reassignment.

C. **Lessee** agrees that at such time as Franchisor exercises its option to become the Lessee under this lease, Lessee will immediately vacate the demised premises without removing any fixtures, parts, or accessories except as authorized in the Franchise Agreement and Lessor will permit Franchisor to enter upon and take possession of the demised premises. Lessor will cooperate in all legal action necessary to remove lessee if lessee refuses to vacate premises.

D. **Lessor** is hereby authorized and directed to rely solely upon written notice by Franchisor of the termination of the said STEM Builders Learning Center Franchise Agreement and exercise by Franchisor of its option to become the Lessee under this lease and is hereby relieved of any and all liability to Lessee for any action it takes in so relying.

E. **DEFAULT BY LESSEE:** Lessor agrees to give Franchisor thirty (30) days prior written notice of its intention to reenter and repossess the premises and to cancel the lease on account of Lessee's default of any of the terms, conditions or provisions thereof. During the thirty (30) day period Franchisor may cure such default or otherwise exercise its rights under the conditional assignment.

F. **OPTION TO RENEW:** In the event that Lessee fails to exercise any option which he might have under the lease to renew same prior to the expiration thereof, Lessor agrees to notify Franchisor in writing of lessee's failure to renew the lease and Franchisor shall then have fifteen (15) days from the receipt of such notice to exercise any option to renew and replace Lessee as the lessee under the lease.

Dated:_____ [effective date]

STEM Builders Learning Center (Franchisor/Assignee)

By _____

Kalyan Chanda, CEO
STEM Builders Learning Center LLC
Address: 16400 61st Ave N, Plymouth, MN-55446
Phone: 763-205-0488

Date signed: _____

FRANCHISEE

By_____

FRANCHISEE:

LESSEE

_____

_____

_____

_____

_____

ACKNOWLEDGMENTS STATE OF _____ COUNTY OF

On this day personally appeared before me_____, to me known to be the individual(s) described in and who executed the within and foregoing instrument and acknowledged that _____ signed the same as free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this___day of_____20_____.

_____

Notary Public in and for the State of _____
residing at _____

My appointment expires: _____

* * *

STATE OF _____

COUNTY OF _____

On this day personally appeared before me_____, to me known to be the individual(s) described in and who executed the within and foregoing instrument and acknowledged that _____ signed the same as free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this___day of_____20_____.

_____

Notary Public in and for the State of _____
residing at _____

My appointment expires: _____

* * *

STATE OF _____

COUNTY OF _____

On this day personally appeared before me_____
_____, to me known to be the_____[Title], of _____, a [Type of Entity and State of Organization], the Entity that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned and on oath stated that_he__is/are authorized to execute the said instrument on behalf of said Entity.

WITNESS my hand and official seal this__day of_____, 20____.

_____

Notary Public in and for the State of _____

_____|_____

initials

residing at _____

My appointment expires: _____

EXHIBIT F

Assignment of Telephone Numbers

_____Franchisee/Assignor, in consideration of Franchisor/Assignee granting a STEM Builders Learning Center franchise contemporaneously herewith, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby assigns to STEM Builders Learning Center all telephone numbers and listings utilized or to be utilized by Franchisee/Assignor in the operation of his STEM Builders Learning Center Licensed Business. The Assignee hereby assumes the performance of all of the Terms, Covenants, and Conditions of the agreement(s) with the telephone company with respect to such telephones, telephone numbers and telephone listings with the same force and effect as if Assignee had been originally issued such telephone, telephone numbers, telephone listings and the usage thereof. This Assignment is valid on the effective date and is irrevocable. It applies equally to any numbers first used after the effective date. The telephone company is authorized to rely upon this Assignment at any time that it is delivered to the telephone company by Franchisor/Assignee. Assignee and Assignor each agree to hold harmless and indemnify the telephone company from any claims based upon the telephone company's reliance upon this Assignment. Assignee and Assignor each agree to sign any other documents necessary in the opinion of the telephone company to give effect to this Assignment.

Dated:_____ [effective date]

STEM Builders Learning Center

(Franchisor/Assignee)

By _____

Kalyan Chanda, CEO

16400 61st Ave N,
Plymouth, MN, 55446

Ph – 763-205-0488

Subject telephone number(s):
(as of date of this document)

Date signed: _____

FRANCHISEE

(Assignor)

_____

Franchisee

Address: _____

_____

Phone: _____

_____

initials

EXHIBIT G

Personal Guaranty

IN CONSIDERATION of and to induce the consent by STEM Builders Learning Center, LLC a Minnesota limited liability company ("Franchisor") to the assignment of all right, title, and interest in and to the STEM Builders Learning Center Franchise Agreement dated_____to _____, a _____ [Type of Entity and State of organization] ("Franchisee"), [or alternatively, in consideration of and to induce Franchisor's consent for the undersigned to enter into the Franchise Agreement in the Entity form], and for other good and valuable consideration, I/we, and each of us jointly, severally, absolutely and unconditionally guarantee to Franchisor:

1.01 Payment of Obligations.

The punctual payment and satisfaction of each and every claim, demand, default, liability, indebtedness, right or cause of action of every nature whatsoever, including expenses, damages and fees, now or hereafter existing, due or to become due, or held by Franchisor, its subsidiaries, divisions, or related companies, together with any interest as it may accrue, and all costs, expenses and attorney's fees paid or incurred by Franchisor or its subsidiary, division, or related company in collecting or attempting to collect the obligations of the Franchisee or in enforcing or attempting to enforce this Guaranty; and

1.02 Continuing Performance.

The timely performance of each term, covenant, and obligation of the license set forth in the STEM Builders Learning Center Franchise Agreement described above. This is a continuing Guaranty which shall apply to the Franchise Agreement and any subsequent renewals, extensions, amendments or modifications thereof, and such renewals, extensions, amendments or modifications shall be conclusively presumed to be covered by this Guaranty without further notice to or acceptance by the undersigned.

2.01 Execution and Delivery.

The undersigned acknowledge(s) and agree(s) that possession of this Guaranty by Franchisor constitutes true and correct execution and actual and proper delivery of same to Franchisor, and the undersigned waive notice of acceptance of this Guaranty and of the incurrence by Franchisee of any liability to which it applies or may apply, and waive presentment and demand for payment thereof, protest, notice of protest and notice of dishonor or non-payment thereof, collection thereof including any notice of default in payment thereof or other notice to, or demand of payment therefore on, any party. The undersigned further waive any right to have security applied before enforcing this Guaranty, any right to require suit against the Franchisee or any other party before enforcing this Guaranty, and any right to subrogation to Franchisor's rights against the Franchisee until the Franchisee's liabilities and obligations to Franchisor are paid and satisfied in full. Payment by the undersigned shall be made at the office of Franchisor in Plymouth, Minnesota, or such other location as Franchisor may designate in writing.

3.01 Rights of Company

Franchisor may, at its option, at any time, without the consent of or notice to the undersigned, without incurring responsibility to the undersigned and without impairing or releasing the obligations of the undersigned, upon or without any terms or conditions and in whole or in part:

3.01.01 change the manner, place or terms of payment or change or extend the time of payment of, renew, or alter any obligation, liability or right of the Franchisee under the Franchise Agreement hereby guaranteed, or any liabilities incurred directly or indirectly hereunder, and the guaranty herein made shall apply to the obligations and liabilities of the Franchisee, so changed, extended, renewed or altered;

3.01.02 exercise or refrain from exercising any rights against Franchisee or others, or otherwise act or refrain from acting;

3.01.03 settle or compromise any liabilities hereby guaranteed or hereby incurred, and may subordinate the payment of all or any part of such liabilities to the payment of any liabilities which may be due to Franchisor or others; and

3.01.04 apply any sums paid to any liability or liabilities of Franchisee to Franchisor regardless of what liability or liabilities of Franchisee remain unpaid. Franchisor may, at its option, without the consent of or notice to the undersigned, apply to the payment of the liability created by this guaranty, at any time after such liability becomes payable, any moneys, property, or other assets belonging to the undersigned in the possession, care, custody and control of Franchisor.

4.01 Irrevocable.

This agreement shall not affect in any manner the right of Franchisor to terminate the Franchise Agreement pursuant to the terms thereof, and this Guaranty shall survive the termination, expiration, or cancellation of the Franchise Agreement. Franchisor may at its option, elect to take no action pursuant to this Guaranty or the Franchise Agreement without waiving any rights under either. The undersigned do further agree that it will not be necessary for Franchisor, in order to enforce the terms of this agreement against them, to first institute suit or exhaust its remedies against the Franchisee or any others. This Guaranty shall operate as a continuing Guaranty and shall be non-revocable, except with the express written consent of Franchisor.

4.02 Joint and Several Liability.

The undersigned, if more than one, shall be jointly and severally liable hereunder and the term "undersigned" shall mean the undersigned or any one or more of them. Anyone signing this Guaranty shall be bound thereto at any time. Any married person who signs this Guaranty hereby expressly agrees that recourse may be had against his/her community and separate property for all obligations under this Guaranty.

4.03 Successors and Assigns.

This Guaranty shall bind and inure to the benefit of the heirs, executors, administrators, successors, and assigns of Franchisor and of the undersigned.

4.04 Noncompetition.

The undersigned hereby agree that they shall be individually bound by the provisions of the Franchise Agreement relating to trade secrets, confidentiality, and non-competition.

4.05 Bankruptcy or Insolvency of Franchisee.

In the event that a petition in bankruptcy or for an arrangement or reorganization of the Franchisee under any state or federal bankruptcy law or for the appointment of a receiver for the Franchisee or any of its property is filed by or against the Franchisee, or if the Franchisee shall make an assignment for the benefit of creditors or shall become insolvent, all indebtedness and other obligations of the Franchisee shall, for purposes of this Guaranty be immediately due and payable.

WITNESS our hands at_____, on this the _____ day of _____, 20_.

[SIGNATURE] _____%owner of Franchisee	[SIGNATURE] __% owner of Franchisee
[SIGNATURE] __% owner of Franchisee	[SIGNATURE] __% owner of Franchisee
[SIGNATURE] __% owner of Franchisee	[SIGNATURE] __% owner of Franchisee

EXHIBIT H

Trade Secrets & Confidentiality Agreement

This Agreement is made and entered into by and between _____, STEM Builders Learning Center (hereinafter, "the Employer") and (hereinafter, "Employee").

WHEREAS Employer is engaged in the business of offering Science Technology Engineering Math enrichment education and tutoring services to elementary, middle and high school students under the Marks and using the System, pursuant to a franchise agreement with STEM Builders Learning Center (herein, "the Licensed Business") according to a unique formula and under the trade name and mark, "STEM Builders Learning Center".

WHEREAS, Employer has a need for a manager or key employee for the Licensed Business;

WHEREAS Employee is willing and able to become a manager or key employee for the Licensed Business;

WHEREAS Employer is willing to hire Employee or to promote Employee to the position of manager or key employee of the Licensed Business, but only upon the terms and conditions set forth herein,

NOW THEREFORE, for and in consideration of the mutual covenants herein contained and other good and faithful consideration, the receipt and sufficiency of which is hereby acknowledged by each party, the parties hereby agree as follows:

1. Employment.

Employer agrees to employ Employee as_____, and to pay compensation as follows: _____

_____
_____
_____
_____
_____

_____.

1. Trade Secrets

Employee agrees that all of the information provided to Employee by Employer in the course of employment relating to the Licensed Business, its operation, management, policies, relationship with its Franchisor, identity of is customers, members and vendors, pricing structures and formulas, product mix, and similar information, constitutes Trade Secrets. Employee acknowledges that such information has been received only from Employer and that it is not generally available to the public and that it derives independent economic value from not being widely known. Employee acknowledges and agrees that certain items or information to be made available may not, if analyzed in isolation, be trade secrets; however, unless Employer specifically agrees otherwise in writing, all such items and information, when placed in the context of those things which are trade secrets if analyzed in isolation, become and are part of the trade secrets and are subject to this Agreement. Employee further acknowledges that should the information be misappropriated or transferred to any third party, the Employer and Employer's Franchisor would suffer irreparable harm. Trade Secrets does not include information on public record or readily available from a third party without consent by Employer.

_____
initials

2. Employer Owns All Incidents

Employer shall be entitled to all of the benefits, profits and other issues arising from or incident to all work, services, and advice of Employee relating to the Trade Secrets or arising out of discussions with Employer regarding same, and in any way communicated to Employer or becoming known to Employer during or after the term of employment.

3. Nondisclosure

Employee shall not at any time or in any manner, either directly or indirectly, divulge, disclose or communicate to any unauthorized person(s) any information regarding any trade secret(s) or any proprietary

information of Employer. All such information shall be held by Employee in complete confidence. Such information is important, material, and confidential and gravely affects the effective and successful conduct of Employer's Licensed Business and goodwill. Should Employee, at any time, cease to be an employee of Employer, Employee shall immediately return to the Employer the originals and all copies of all documents or other media containing or representing trade secrets. Breach of any of the terms of this paragraph shall be a material breach of this Agreement. The terms of this paragraph shall survive termination of this Agreement for any reason. Employee shall be in breach of this Agreement during any month in which Employee or any third party has possession or use of any trade secrets in violation of this Agreement.

4. Remedies

Employee agrees that, in the event of alleged breach, Employer shall be entitled, in addition to all other remedies available at law or in equity, to a temporary restraining order, a preliminary injunction and other interim relief and that the maximum bond to be required of Employer for such relief shall be ten dollars ($10.00). Employee waives any right to a higher bond. Employee agrees that any action taken by Employer pursuant to this Agreement shall not constitute an election of remedies. In addition to, and not in lieu of, an injunction, Employer shall be entitled to a judgment against Employee for the greater of (a) Employer’s actual damages (if provable under the circumstances) or (b) liquidated damages calculated as Employee’s average monthly gross compensation for the last six months (or portion thereof) for which Employee was employed by Employer, multiplied by the number of months during which Employee was in breach of this Agreement. The parties mutually agree that the liquidated damages agreed herein are not a penalty but are a best good faith effort to estimate what Employer’s actual damages would be in the event of a breach under circumstances where actual damages may, because of facts known at that time, not be readily susceptible of accurate calculation.

5. Enforcement By Franchisor

Both Employer and Employee acknowledge and agree that this Agreement is for the benefit not only of the Employer, but also of the Employer’s Franchisor, STEM Builders Learning Center Employer and Employee each agree that STEM Builders Learning Center shall have the same right to enforce this Agreement as Employer has; provided only that as between Employer and STEM Builders Learning Center, they shall be entitled to only one recovery of damages or liquidated damages.

6. Effectiveness

This Agreement shall become effective when signed and shall be enforceable at any time thereafter.

6.1. Nonwaiver.

No act or omission or delay in enforcing a right by either party shall waive any right under or breach by the other of this Agreement unless such party executes and delivers a written waiver. The

waiver by either party of any right under or breach of this Agreement shall not be a waiver of any subsequent or continuing right or breach.

6.2. Attorney's Fees.

In the event that legal action or arbitration is commenced by either party to enforce this Agreement or to determine the rights of any party, including any appeal proceeding, the substantially prevailing party, in addition to any other remedy, shall be entitled to receive its reasonable attorney's fees and costs.

6.3. Severability.

In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby, and full effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid, unless such invalidity shall pertain to the obligation to pay fees, in which event this Agreement shall terminate.

6.4. Warranty Of Authority.

Each person signing this Agreement for or on behalf of any party to this Agreement warrants that he/she has full authority to sign and to legally bind the party.

6.5. Paragraph Headings.

The various paragraph headings are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement or any portion thereof.

6.6. Recitals.

The recitals preceding the first numbered paragraph of this Agreement are hereby made part of this Agreement as if set forth within the numbered paragraphs.

6.7. Choice of Law.

This Agreement shall be governed by and construed under the laws of the state in which the Licensed Business is located.

6.8. Notices.

All notices required or permitted by this Agreement shall be sent to the respective parties at the addresses set forth herein. The place of notice may be modified by appropriate registered or certified mailing to the other party. All notices shall be sent by certified mail, return receipt requested, postage prepaid, or personally delivered. Notices shall be deemed given at the earlier of (a) receipt. 2 days following deposit with the United States Postal Service or its successor.

6.9. Entire Agreement.

This document, together with any exhibits and addenda appended hereto, constitutes the full and complete agreement between the parties hereto with respect to the subject matter hereof. There are no verbal or other agreements that affect or modify this Agreement. Any prior representations, promises, contracts or agreements are hereby fully superseded.

6.10. Modification.

This Agreement shall not be modified or changed except by a written agreement executed by an officer of Employer. No approval of a deviation from the terms of this Agreement shall be valid unless signed by an officer of Employer.

Dated:_____ [effective date]

Date signed: _____

STEM Builders Learning Center

(Franchisor/Assignee)

By _____
Kalyan Chanda, CEO

16400 61st Ave N,
Plymouth, MN, 55446

Ph – 763 205-0488

Subject telephone number(s):
(as of date of this document)

FRANCHISEE

(Assignor)

_____
Franchisee

Address: _____

_____

_____

Phone: _____

_____

_____

EXHIBIT I

Mutual Termination of Franchise Agreement and Release

This Mutual Termination of **STEM Builders Learning Center** Franchise Agreement and Release is entered into by and between_____(Franchisee) and STEM Builders Learning Center (Franchisor).

WHEREAS Franchisee is a franchisee of Franchisor pursuant to a franchise agreement dated _____(the Agreement), governing a Licensed Business located at _____;

WHEREAS Franchisee and Franchisor desire to mutually terminate the Agreement and wind up and resolve all matters between them relating to or arising out of the Agreement and their relationship as Franchisor and Franchisee; and

WHEREAS Franchisee and Franchisor each desire to be bound by the terms of this Mutual Termination of STEM Builders Learning Center Franchise Agreement and Release,

NOW THEREFORE, the parties hereby agree as follows, acknowledging that each has received adequate consideration for this agreement.

1. Franchisee and Franchisor each acknowledge and agree that, by entering into this Agreement, all of their respective rights under the Agreement are terminated except only as specifically reserved herein.

2. Except for any remaining financial obligations of Franchisee to Franchisor for franchise fees or for goods purchased and except for any post-termination requirements of the Agreement involving competition and trade secrets, all claims, demands, rights, duties, obligations, debts, dues, sums of money, accounts, covenants, contracts, controversies, agreements, promises, torts, judgments, executions, liabilities, damages, injunctions, assignments, suits or causes of action of every kind and nature, however or wherever arising, whether known or unknown, foreseen or unforeseen, direct, indirect, contingent or actual, liquidated or unliquidated, which have arisen or which might or could arise under Federal, state or local law from any relationship under the Agreement (including any supplier-purchaser relationship) or under any agreement in connection therewith, or from the execution, operation under or termination of the Agreement and any services to Franchisee thereunder or under any prior agreement relating to the Licensed Business, existing or arising at any time prior to or at the item of the execution hereof or the Effective Date (whichever is later) are hereby mutually satisfied, acquitted, discharged and released by Franchisee and Franchisor, it being the express intention of each party that this Release is as broad as permitted by law.

3. Franchisee intends this Release to acquit and forever fully discharge Franchisor and any parent or direct or indirect subsidiary thereof, any division, affiliate or supplier who provided merchandise for Franchisee's operation of the Licensed Business, and its and their respective officers, directors, agents, employees, representatives, successors and assigns, and all other persons, firms or corporations who have acted in agreement or in concert with any of them or with Franchisee.

4. This Mutual Termination of STEM Builders Learning Center Franchise Agreement and Release shall be binding upon Franchisee and the heirs, legal representatives, successor and assigns of Franchisee and upon Franchisor and its successors and assigns.

5. Franchisee has either been advised by independent counsel before signing this or, acknowledging the need for independent counsel, knowingly waives any such review and advice.

6. In the event of litigation or arbitration to enforce this Agreement, the substantially prevailing party shall be entitled to its reasonable attorney's fees in addition to all other sums owed pursuant to this Agreement or otherwise.

7. The Effective Date of this document shall be: _____

STEM BUILDERS® Learning Center

_____

initials

Franchisee(s)

_____

_____
Franchisee

Franchisor
STEM Builders Learning Center

By: _____

_____, its _____

EXHIBIT J

Consent, Waiver and Release For Training

This Consent, Waiver and Release is entered into by and between _____

_____(Franchisee) and STEM Builders Learning Center, LLC (Franchisor) and shall also be for the benefit of any franchisee of STEM Builders Learning Center in whose office or premises Franchisee receives any part of his training under Franchisee's Franchise Agreement (Trainer).

Franchisee recognizes and acknowledges the value of receiving part of Franchisee's training (or Franchisee's employees' training, if appropriate) under the STEM Builders Learning Center Franchise Agreement in an actual STEM Builders Learning Center office owned and operated by another STEM Builders Learning Center franchisee. At least some of the training will be "hands-on", actually operating the Licensed Business or some aspect of the Licensed Business on a day-to-day basis. In some cases, Franchisee may be left solely in charge of the STEM Builders Learning Center office of the Trainer for some periods of time. "Franchisee" as used in this agreement shall include any employee(s) of franchisee who obtain training.

In consideration of the value of the hands-on, on-location training, Franchisee covenants and agrees: Franchisee is not and will not be or become an employee of Trainer unless by a separate written agreement.

Franchisee covenants and agrees to not sue or make any claim, including under any federal, state or local statute or ordinance, for any compensation for services or for any benefits.

Franchisee shall not make any statement(s) or representation(s) inconsistent with this agreement.

Franchisee hereby assumes the risk of injury or death arising out of Franchisee's presence on the Licensed.

Business premises of Trainer and agrees to defend, hold harmless and indemnify Franchisor and Trainer from and against all claims, demands, damages, injuries or settlements arising out of or related to Franchisee's training on the premises of Trainer, excepting only for intentional or grossly negligent acts of Franchisor or Trainer.

Franchisee hereby assumes the risk of injury or death to others arising out of any negligent or intentional acts of Franchisee while on the Licensed Business premises of Trainer and agrees to defend, hold harmless and indemnify Franchisor and Trainer from and against all claims, demands, damages, injuries or settlements arising out of or related to Franchisee's training on the premises of Trainer caused in whole or in part by Franchisee's negligent or intentional acts.

Franchisee consents to having some or all of Franchisee's training occur under the guidance and on the premises of Trainer. Franchisee's training will take approximately two weeks or until Franchisee has achieved a level of competency as determined by Franchisor.

Franchisee understands and acknowledges that each STEM Builders Learning Center franchisee conducts the Licensed Business slightly differently and that Franchisee is advised to consider Trainer's methods and procedures, in light of Franchisee's own study of the Manual(s), as one way of operating the Licensed Business. Franchisee is solely responsible for Franchisee's conduct of Franchisee's Licensed Business. If Franchisee is in doubt as to the appropriateness of a procedure or manner of operating the Licensed Business, Franchisee shall obtain clarification from the Franchisor directly. Franchisee understands that it would not be a defense to a later breach of contract notice that he/she acted consistently with what Trainer did.

Trainer covenants and agrees as follows:

Trainer shall not be or become an employer of Franchisee, unless by separate written agreement.

Trainer covenants and agrees to not sue or make any claim, including under any federal, state or local statute or ordinance, for any compensation for services or for any benefits to Trainer.

Trainer shall not make any statement(s) or representation(s) inconsistent with this agreement.

Trainer hereby assumes the risk of injury or death arising out of Franchisee's presence on the Licensed Business premises of Trainer and agrees to defend, hold harmless and indemnify Franchisor from and against all claims, demands, damages, injuries or settlements arising out of or related to Franchisee's training on the premises of Trainer, excepting only for intentional or grossly negligent acts of Franchisor.

Trainer hereby assumes the risk of injury or death to others arising out of any negligent or intentional acts of Trainer and agrees to defend, hold harmless and indemnify Franchisor from and against all claims, demands, damages, injuries or settlements arising out of or related to Franchisee's training on the premises of Trainer caused in whole or in part by Trainer's negligent or intentional acts.

Trainer consents to having some or all of Franchisee's training occur under the guidance and on the premises of Trainer. Franchisee's training will take approximately two weeks or until Franchisee has achieved a level of competency as determined by Franchisor.

Trainer will make best efforts to teach Franchisee the operation of the Licensed Business in accordance with the current version of the Manual(s) and to remind Franchisee that, if Franchisee has questions about the proper procedure under the Manual(s) to obtain clarification from the Franchisor. If Franchisor requests it, Trainer will immediately modify the training to comply with the Manual(s).

Franchisor undertakes as follows:

Franchisor will be responsible for determining whether Franchisee has achieved a level of competency sufficient to satisfy the training requirement under the Franchise Agreement.

By signing below, the parties each hereby agree to be bound by this Consent, Waiver and Release for Training Agreement.

Executed this_____day of_____, _____

Franchisor:

STEM Builders Learning Center

By: _____

Kaylan Chanda, CEO

Franchisee:

By: _____

Title: _____

EXHIBIT K

Confidentiality Agreement – Additional Information

[Applicable only if additional information requested by Franchisee]

This Confidentiality Agreement is entered into by and between _____

_____(Franchisee) and STEM Builders Learning Center LLC, (Franchisor).

Whereas Franchisee is considering purchasing a STEM Builders Learning Center Franchise;

Whereas Franchisee has requested additional information from Franchisor beyond that contained in the Franchise Disclosure Document;

Whereas the Franchisor regards the information Franchisee has requested to be proprietary, confidential information, and Trade Secrets;

Whereas, notwithstanding the foregoing, Franchisor is willing to provide certain additional information, but only upon the terms of this Confidentiality Agreement.

Therefore, the parties agree as follows, acknowledging the existence and sufficiency of consideration, and fully intending to be bound hereby.

1. Upon receipt of this Confidentiality Agreement, unaltered and fully executed by Franchisee, Franchisor will make a reasonable effort to provide to Franchisee one copy of the following information (the "Confidential Information"):

_____
_____
_____
_____
_____

2. Franchisee shall be entitled to review the Confidential Information and may permit Franchisee's advisors with a genuine need to know and who are disclosed herein, including attorneys, accountants and confidential business advisors, to review it. No person shall make any reproduction, photo, electronic or other copy of the Confidential Information or any part thereof for any purpose, including summaries. No person shall use the Confidential Information or any part thereof for any purposes except as specifically permitted pursuant to this Confidentiality Agreement. Franchisee warrants that every person, including attorneys, accountants and confidential business advisors, who reviews any portion of the Confidential Information shall be subject to this Confidentiality Agreement, has been informed of the contents of this Confidentiality Agreement before reviewing any of the Confidential Information and has indicated, in writing, a willingness to be bound by this Confidentiality Agreement.

Franchisee's advisors whom Franchisee may permit to review the Confidential Information on Franchisee's behalf are as follows. Franchisee shall not, directly or indirectly, permit any other person to review the Confidential Information or any part thereof:

Name	Address & Telephone	Relationship to Franchisee

[Attach and initial an additional page if necessary]

3. Franchisee agrees that, immediately upon completion of Franchisee's review of the Confidential Information, regardless of whether Franchisee ever purchases a STEM Builders Learning Center franchise, to return the original and all copies of the Confidential Information to Franchisor, including all summaries of the information contained therein.

4. No person shall ever transfer or convey the Confidential Information or any part thereof to any person not specifically authorized to review the information pursuant to this Agreement. No person shall ever use,
directly or indirectly, the Confidential Information or any part of it for any purpose whatsoever except as specifically permitted by this Confidentiality Agreement.

5. In the event Franchisee or any person authorized or permitted by Franchisee or this Confidentiality Agreement to review or possess any of the Confidential Information violates this Confidentiality Agreement, in addition to all other remedies available to Franchisor, Franchisee agrees to defend, hold harmless and indemnity Franchisor and its officers, directors, attorneys, agents and assigns, from and against any claims and liability arising out of or resulting from the violation, including, but not limited to claims by any person that the information provided constituted earnings claims or financial performance information which was unlawfully provided to a prospective franchisee. The obligation to defend, indemnify and hold harmless contained in this paragraph shall specifically require Franchisee to pay any attorney's fees, costs and expert witness fees incurred by Franchisor and the other beneficiaries of this paragraph in defending any such claim or in monitoring Franchisee's defense of any such claim.

6. In the event Franchisee or any person authorized or permitted by Franchisee or this Confidentiality Agreement to review or possess any of the Confidential Information violates this Confidentiality Agreement, in addition to all other remedies available to Franchisor, Franchisee agrees to pay to Franchisor, as liquidated damages, an amount calculated as the greater of: (a) all gross revenues of the person or entity who improperly had any of the Confidential Information during the time the person or entity retained or used any of the Confidential Information for any purpose; or (b) $250.00 per page, or equivalent, of Confidential Information as to which this Confidentiality Agreement is violated for each day that any provision of this Confidentiality Agreement is violated. Franchisee acknowledges and agrees that calculating actual damages would be impossible and that the liquidated damages calculated pursuant to this paragraph would be a reasonable approximation of actual damages Franchisor would sustain on account of such breach and does not constitute a penalty.

7. In the event Franchisee or any person authorized or permitted by Franchisee or this Confidentiality Agreement to review or possess any of the Confidential Information violates this Confidentiality Agreement, in addition to all other remedies available to Franchisor, Franchisor shall be entitled to obtain a temporary and a permanent injunction or similar equitable relief from any court having jurisdiction thereof and any statutory or other requirement of a bond in excess of $100.00 as a condition of obtaining such relief is hereby waived to the extent permitted by applicable law.

8. This Agreement shall be construed under the laws of the State of Minnesota and jurisdiction and venue of any action brought to enforce or interpret this Agreement shall be in Hennepin County, Minnesota. Terms defined in the Franchise Agreement shall have the same meanings in this Agreement.

9. If any action is brought to enforce or interpret this Confidentiality Agreement, the substantially prevailing party, in addition to all other remedies, shall be entitled to an award of their attorney's fees and costs, including expert witness fees and any fees on appeal.

10. This Confidentiality Agreement is the complete agreement of the parties with regard to the Confidential Information and supersedes any prior or contemporaneous written or unwritten communications, representations or agreements.

11. Time is of the essence of this Agreement.

DO NOT SIGN THIS CONFIDENTIALITY AGREEMENT UNTIL YOU HAVE HAD THE STEM BUILDERS LEARNING CENTER FRANCHISE DISCLOSURE DOCUMENT FOR AT LEAST TEN BUSINESS DAYS AND UNTIL AT LEAST FIVE DAYS AFTER ALL BLANKS IN THIS CONFIDENTIALITY AGREEMENT HAVE BEEN FILLED IN.

Dated: _____

Franchisee(s)

_____

Franchisee

Franchisor

STEM Builders Learning Center

By _____

Kalyan Chanda, CEO & President
16400 61st Ave N,
Plymouth, Minnesota, U.S.A
763-205-0488

Attachment C – List of Current and Former Franchisees

Current franchisees:
Minnesota

Next Gen LLC
8877 Aztec Drive
Eden Prairie, MN 55347
(952)-207-2176

iCartesian LLC
1351 113th Ave NE
Ste 100
Blaine, MN 55434
(612)-217-4117

iGEN LLC
15600 35TH Ave N, Ste 201
Plymouth, MN – 55447
763-273-4354

Tennessee

JIG STEM LLC
128 Holiday Court, Suite #120,
Franklin, TN 37067
(615)-682-3032

There are no franchisees who have had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently concluded fiscal year or who have not communicated with the franchisor within ten (10) weeks of the issuance date of this disclosure document.

Attachment D – Operations Manual Table of Contents

STEM BUILDERS LEARNING CENTER
OPERATIONS MANUAL

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Attachment E

LIST OF STATE ADMINISTRATORS AND

AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Commissioner of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 (415) 972-8559	Commissioner of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 (415) 972-8559
HAWAII	Commissioner of Securities of The State of Hawaii Business Registration Division Dept. of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Business Registration Division Dept. of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722
ILLINOIS	Franchise Division Attorney General State of Illinois 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA	Securities Commissioner Indiana Securities Division Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, Michigan 48913 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau 670 Law Building Lansing, Michigan 48913
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101 (651) 296-4026	Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8285	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, Fifth Floor Bismarck, North Dakota 58505 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard, Fifth Floor Bismarck, North Dakota 58505
RHODE ISLAND	Division of Securities John O. Pastore Complex, Bldg. 69-1 Cranston, Rhode Island 02920 (401) 426-9500	Director of the Rhode Island Department of Business Regulation 1511 Pontiac Avenue Cranston, Rhode Island 02920

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
SOUTH DAKOTA	Department of Labor and Regulation Division of Securities 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823	Director of South Dakota Division of Securities 124 S. Euclid, Suite 104 Pierre, SD 57501
VIRGINIA	State Administrator Division of Securities and Retail Franchising 1300 East Main Street Richmond, Virginia (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street 1st Floor Richmond, Virginia 23219
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98501-9033 (360) 902-8760	Director, Dept. of Financial Institutions Securities Division 150 Israel Road Tumwater, Washington 98501
WISCONSIN	Commissioner of Securities 111 West Wilson Street P.O. Box 1768 Madison, Wisconsin 53701 (608) 266-1365	Commissioner of Securities 111 West Wilson Street P.O. Box 1768 Madison, Wisconsin 53701

Attachment F

STATE REGULATIONS AND REQUIREMENTS ADDENDUM

The following are additional disclosures for our Multistate Franchise Disclosure Document. Various state franchise laws require us to make these additional disclosures. These additional disclosures will not apply to you unless you meet the jurisdictional requirements of the applicable state franchise registration and disclosure law independently without reference to these additional disclosures. These disclosures supplement our Disclosure Document and supersede any conflicting information contained in the main body of the Disclosure Document:

FOR THE STATE OF CALIFORNIA

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

2. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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

   Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in the association or exchange.

3. Item 17 of the Disclosure Document is amended to add the following:

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

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

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

The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of action arising under California law.

The Franchise Agreement requires application of the laws of a state other than the State of California. This provision might not be enforceable under California law.

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

The Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in Item 17 with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (including Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.

The following URL address is for the franchisor's website:

www.STEMbuilders.com

FRANCHISOR'S WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

FOR THE STATE OF CONNECTICUT

1. Item 3 is amended to read as follows:

Neither the Franchisor nor any person identified in Items 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations.

Neither the Franchisor nor any other person identified in Items 1 or 2 above has during the ten (10) year period immediately preceding the date of this Disclosure Document, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgment, or been the subject of any material complaint or other legal proceeding where a felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law,

misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship.

Neither the Franchisor nor any person identified in Items 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which an order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.

Neither Franchisor nor any person identified in Item 2 above is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities & Exchange Act of 1934) suspending or expelling these persons from membership in the association or exchange.

FOR THE STATE OF HAWAII

1. The Franchise Agreement has been amended as follows:

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement, and more specifically, Sections 4.2, 16.2 and 18, contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

The Franchise Agreement require franchisee to sign a general release as a condition of renewal or transfer of the franchise; this release shall exclude claims arising under the Hawaii Franchise Investment Law.

The Franchise Agreement provides for the termination the Franchise Agreement upon the bankruptcy of the franchisee; that may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

2. The Receipt Pages are amended to add the following:

THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF

COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

FOR THE STATE OF ILLINOIS

1. This Agreement shall be governed by Illinois law.

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

3. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

5. Item 5 of the Disclosure Document is amended to add the following: The payment of the Initial Franchise Fee is deferred until franchisor has satisfied its pre-opening obligations to Franchisee and Franchisee has commenced doing business. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

FOR THE STATE OF INDIANA

1. Item 8 of the Disclosure Document is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.

2. Items 6 and 9 of the Disclosure Document are amended to add the following:

The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products that

were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.

3. Item 17 of the Disclosure Document is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

Item 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non- competition covenant shall have a geographical limitation of the territory granted to Franchisee.

Item 17(v) is amended to provide that Franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.

Item 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

FOR THE STATE OF MARYLAND

1. Item 5 of the Disclosure Document is amended to add the following:

The general release required as a condition of sale shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to add the following:

Under the Maryland Franchise Registrations and Disclosure Law, no general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims under the Maryland Franchise Registration and Disclosure Law.

Any litigation between Franchisee and Franchisor may be instituted in any court of competent jurisdiction, including a court in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

In the event of a conflict of laws if required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.

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

The 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. Exhibit G to the Disclosure Document is amended as follows:

Any portion of the Statement of Prospective Franchisee which requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts would constitute a violation of the Maryland Franchise Registration and Disclosure Law. Any of these representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

FOR THE STATE OF MINNESOTA

1. Item 6 of the Disclosure Document is amended to add the following: NSF checks are governed by Minnesota Statute 604-113, which puts a cap of $30 on service charges.

2. Item 13 of the Disclosure Document is amended as follows:

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the marks, so long as you were using the marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

3. Item 17 of the Disclosure Document is amended as follows:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you

be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Agreement.

Item 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

Item 17 is amended that the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if bond is required.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

FOR THE STATE OF NEW YORK

1. All references made herein to a "Disclosure Document" shall be replaced with the term "Offering Prospectus" as used under New York Law.

2. The State Law Page of this Disclosure Document is amended as follows:

   IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, 120 BROADWAY, NEW YORK, NEW YORK 10271-0332. INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION.

   THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE CIRCULAR. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS CIRCULAR.

3. Item 3 is amended by the addition of the following

   language: ITEM 3 LITIGATION:

   Neither the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations, pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchises and the size, nature or financial condition of the franchise system or its business operations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten- year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, anti-fraud or securities law, fraud; embezzlement, fraudulent conversion or misappropriation of property, unfair or deceptive practices; or comparable allegations.

C. Is subject to a currently effective injunction or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

4. Item 4 – BANKRUPTCY is amended to add the following:
Neither the Franchisor, its affiliate, its predecessor, officers, or general partner during the 10 year period immediately before the date of the offering circular: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

5. Item 5 of the Disclosure Document is amended to add the following:

The Franchise Fee will be used to defray franchisor's costs in obtaining and screening franchisees, providing training, training materials and assisting in opening the franchised center for business.

6. Items 6 and 11 of the Disclosure Document are amended to add the following:

The franchisee will not be required to indemnify franchisor for any liability imposed on franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.

7. Item 17 of the Disclosure Document is amended to add the following:

No general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims arising under the New York General Business Law, Article 3, Sections

687.4 and 687.5.

Item 17(d) is amended to provide that the Franchisee may terminate the Agreement on any grounds available by law.

Item 17(j) is amended to state the following: However, no assignment will be made except to an assignee who, in the good faith and judgment of Franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

Item 17(w) is amended to state: The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business law of the state of New York.

8. Franchisor represents that this Disclosure Document does not knowingly omit anything or contain any untrue statements of a material fact.

FOR THE STATE OF NORTH DAKOTA

1. Item 5 of the Disclosure Document is amended by the addition of the following language to the original language:

Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

2. Item 6 of the Disclosure Document is amended to add the following:

No consent to termination or liquidated damages shall be required from franchisees in the State of North Dakota.

3. Item 17 of the Disclosure Document is amended to add the following:

No general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims arising under North Dakota Law.

In the case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.

The Franchise Agreement is amended to state that the statute of limitations under North Dakota Law will apply.

Items 17(i) and 17(q) are amended to state that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

Item 17(v) is amended to state a provision requiring litigation to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.

Item 17(w) is amended to state in the event of a conflict of laws, North Dakota Law will control.

FOR THE STATE OF RHODE ISLAND

Item 17 of the Disclosure Document is amended to add the following:

The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

FOR THE COMMONWEALTH OF VIRGINIA

Please consider the following RISK FACTOR before you buy this franchise:

THIS IS A DEVELOPMENT STAGE COMPANY WHICH ENTAILS ADDITIONAL RISK OF FINANCIAL LOSS.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for STEM Builders Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following statements are added to Item 17.h:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise agreement without reasonable cause. If any grounds for default or termination stated in the franchise agreement or development agreement, do 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.

The following statements are added to Item 17:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provisions of the Franchise Agreement involve the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

FOR THE STATE OF WASHINGTON

Item 5 of the Disclosure Document is amended to add the following:

The collection of the Initial Franchise Fee is deferred until the franchisor has fulfilled its pre-opening obligations to the franchisee and the franchisee is open for business.

Item 17 of the Disclosure Document is amended to add the following:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A general release or waiver of rights signed by you will not include rights under the Washington Franchise Investment Protection Act.

Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act including the right to a jury trial may not be enforceable.

Transfer fees are collectable if they reflect our reasonable estimated or actual costs in effecting a transfer.

The Franchise Agreement requires any litigation to be conducted in a state other than Washington; the requirement shall not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.

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

FOR THE STATE OF WISCONSIN

Item 17 of the Disclosure Document is amended to add the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

Attachment G – Franchise Application

Date: _____

APPLICATION FOR A STEM BUILDERS LEARNING CENTER FRANCHISE (US)

I/We _____

of _____
hereby submit an application to **STEM BUILDERS LEARNING CENTER LLC**, **16400 61st Ave N, Plymouth, mn-55446** for a **STEM BUILDERS LEARNING CENTER** Franchise:

If your Licensed Business will be in Minnesota, You will not pay your Initial Fee to Us until your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have your bank verify that you have sufficient funds available at the time We sign the Agreement. The only condition on your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

Our **STEM BUILDERS LEARNING CENTER** Franchise is to be located in:

_____, (the "State"). This application once submitted is subject to the following terms and conditions:

1. Initial Franchise Fee for this franchise is $**25,000.00.** Of which $5,000 is due with the application and $20,000 within 7 days after We approve application
2. I/we acknowledge that I/we have, at least fourteen calendar days, prior to the signing of this Application Agreement, received **STEM BUILDERS LEARNING CENTER LLC**'s current form of Franchise Disclosure Document applicable to the State. I/we understand that a completed form of the Franchise Agreement will be provided at least five business days prior to signing the Franchise Agreement, and that all other terms are to be in accordance with it.
3. I/we have submitted a completed Confidential Qualification Report, including a completed Individual Financial Statement on **STEM BUILDERS LEARNING CENTER LLC**'s form and I/we hereby authorize **STEM BUILDERS LEARNING CENTER LLC** to conduct an investigation of my/our background(s) to verify the information submitted.

4. I/we acknowledge and understand that submission of this application does not bind or obligate **STEM BUILDERS LEARNING CENTER LLC**, to issue a **STEM BUILDERS LEARNING CENTER** Franchise to me/us.

_____	_____
(Signature)	(Signature)
_____	_____
Applicant (Print Name)	Applicant (Print Name)

Attachment H – Effective Dates

This document is effective upon registration.

Attachment I - RECEIPT

[Retain This Copy For Your Records]

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

If STEM Builders Learning Center, LLC offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with us or make a payment to us or an affiliate in connection with the proposed franchise sale. Under Illinois, Iowa, Maine, Nebraska, Oklahoma, Rhode Island or South Dakota law, if applicable, we must provide this disclosure document to you at your 1st personal meeting to discuss the franchise. New York requires that you receive this Franchise 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 STEM Builders Learning Center, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Attachment E.

The name, principal business address and telephone number of each franchise seller offering the franchise is: Kalyan Chanda, 16400 61st Ave. N., Plymouth, MN 55446, (763) 205-0488.

Issuance Date: April 14, 2021.
See Attachment E for our registered agents authorized to receive service of process.
I have received a disclosure document dated April 14, 2021 that included the following Attachments:

A. Financial Statements
B. Franchise Agreement
C List of Current and Former Franchisees
D. Manual Table of Contents
E. State Agencies and Agents For Service of Process
F. State Law Addendum
G. Franchise Application
H. Effective Dates

_____
Signature

Date: _____

_____
Printed Name

_____
Address

_____
City State Zip

RECEIPT
[Return This Copy To Us]

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

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