FRANCHISE DISCLOSURE DOCUMENT

ANGUS VALLEY MONTESSORI SCHOOLS USA LLC
A Delaware Limited Liability Company
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The franchisee will operate a business under the name "Angus Valley Montessori" that offers preschool learning programs and childcare services for children ages 6 months through 12 years using the Montessori method of teaching and additional extracurricular activities.

The total investment necessary to begin operation of an Angus Valley Montessori franchised business is $1,889,000 to $3,031,000. This includes $119,600 to 183,100 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Franchise Sales at sales@avmsfranchiseusa.com or 224-629-1399.

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

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

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

Issuance date: March 7, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Angus Valley Montessori Schools 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 an Angus Valley Montessori Schools franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.
Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.
Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.
Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.
Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.
Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.
When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

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

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

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity which in no event need be more than thirty (30) days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishing not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) Failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

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

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

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

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

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

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

Any questions regarding the notice of this Offering should be directed to:

Michigan Attorney General's Office
Consumer Protection Division
Attn. Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48933
(517) 335-7567

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Exhibits

A. List of State Agencies/Agents for Service of Process

B. Deposit Agreement

C. Franchise Agreement (with Schedules)

D. Financial Statements

E. Table of Contents of Operations Manual

F. Lists of Current and Former Franchisees

G. State Addendum (if applicable)

Receipt of Disclosure Document (Two)

Item 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The franchisor is Angus Valley Montessori Schools USA LLC. To simplify the language in this Disclosure Document, the franchisor will be referred to as "Company," "us" or "we." "You" means the entity that buys the franchise. Certain provisions of the franchise agreement also apply to the owners of you, the franchisee entity ("Owners") and will be noted. The Owners must personally guarantee payment and performance of all of your obligations to us.

Company is a Delaware limited liability company organized on January 22, 2024. We do business under our corporate name and under the name "Angus Valley Montessori Schools." Our principal business address is 27 Glenbrook Circle, Gilberts, Illinois 60136. Our agent for service of process in your state, if applicable, is disclosed in Exhibit A.

We do not have a parent company. We do not have a predecessor.

We have no affiliate which provides products or services to our franchisees.

We have one affiliate which offers franchises in any line of business. The affiliate is Angus Valley Montessori Schools Inc. It is an Ontario business corporation incorporated on January 10, 2018. Its principal business address is 90 Gough Road, Unit 1, 2nd floor, Markham, Ontario L3R 5V5. This affiliate has been offering and selling franchises for Angus Valley Montessori Schools in Canada since 2018. As of the date of this Disclosure Document, Angus Valley Montessori Schools Inc. had 7 franchises operating in the province of Ontario, Canada.

We offer franchises for the establishment and operation of a business offering preschool learning programs and childcare services for children ages 6 months through 12 years using the Montessori method of teaching combined with principals of Gardner's Theory of Multiple Intelligences as further developed by us and supplemented by a variety of extracurricular activities ("Franchised Business"). Extracurricular activities may include homework assistance, fitness and yoga classes, programs in arts, foreign language lessons, weekend programs, cooking classes, martial arts programs, art classes, robotics programs, STEM programs and summer, winter and spring break camps. The typical new school will be approximately 8,000 to 10,000 square feet and will accommodate between 120 and 150 children, depending on the regulations in a particular state.

You must sign our standard franchise agreement (the "Franchise Agreement") which is attached to this Disclosure Document as Exhibit C. You must operate your Franchised Business following our prescribed system. The system includes interior and exterior design, interior design layouts and schemes, playground equipment, outdoor surfacing, distinctive signage, special menus tailored for school aged children, for morning, lunch and afternoon snacks and meals made with fresh ingredients, uniform standards, specifications and procedures for operations, quality and uniformity of services, inventory, management procedures, operational manual, parent handbook, staff handbook, furniture, review of lesson plans, daily schedules and playground schedules, training and assistance, and advertising and promotional programs, software, mobile apps, all of

which we may change, improve and further develop, in our discretion ("System"). The Franchised Business will incorporate a comprehensive Montessori curriculum.

The System is currently identified by and Franchised Businesses will be operated under the service mark "Angus Valley Montessori Schools". The service marks ""Angus Valley Montessori Schools," "Learn.Grow.Achieve," the related logos, and all other proprietary trademarks, service marks, domain names, related logos and other commercial symbols owned by us or to be developed in the future are referred to in this Disclosure Document as the "Marks."

We conduct no other business activities besides selling and supporting the Franchised Businesses.

The services of the Franchised Business will be offered to general public, and specifically parents with children ages 6 months through 12 years. You will compete with public schools, other Montessori schools, and other private independent schools and/or day care businesses, and franchised schools and/or child care businesses, such as The Goddard School® and Primrose Schools®. The market for these services is well developed and competitive.

You must comply with all local, state and federal laws that apply to the operation of the Franchised Business. For the operation of this type of business specifically, you must obtain any required state or local licenses or permits for operation of a day care facility and/or private school and meet all of the requirements for licensing. For example, licensing requirements in Illinois include meeting health, safety and operational standards, providing proof of ownership or lease of the facility and a detailed floor plan, and a written operational plan that outlines policies for staffing, child supervision, and emergency preparedness. Staff members are required to undergo background checks, meet minimum educational qualifications, and complete mandated training in child development and safety. The facility must also pass inspections to ensure compliance with building codes, fire safety, and sanitation standards. In addition, since the Franchised Business serves food, you may need to comply with laws and regulations relating to food service businesses, which may include obtaining food handling certifications. There may be other laws, regulations or licensing requirements that will apply specifically to this type of business in your area. Therefore, you must investigate whether any such laws, regulations or licensing requirements exist and what you need to do to comply.

We have never operated a Franchised Business. No affiliates have operated a business similar to the Franchised Business. However, one of our owners has owned and operated a business similar to the Franchised Business in Canada since 2018.

We are offering franchises for the first time under this Franchise Disclosure Document. We have never offered franchises in any other line of business. Other than Angus Valley Montessori Schools, Inc., none of our affiliated companies have offered franchises for businesses similar to the Franchised Business or franchises in any other line of business.

Item 2
BUSINESS EXPERIENCE

Murtaza Hasan- Manager, CEO and President

Mr. Hasan has been our Manager, CEO and President since our inception in January 2024. He has been CEO and President of our affiliate Angus Valley Montessori Schools Inc. in Markham, Ontario, Canada since January 2018. He has been Director of Marketing of Angus Glen Montessori School, Inc. in Markham, Ontario, Canada since 2018.

Sunil Bhardwaj – Manager and Director

Mr. Bhardwaj has been our Manager and Director since our inception in January 2024. He has been Director of our affiliate Angus Valley Montessori Schools Inc. in Markham, Ontario, Canada since January 2018. He has been Chief Financial Officer of Angus Glen Montessori School, Inc. in Markham, Ontario, Canada since 2018.

Syeda Hasnain – Director of Education and Learning & Development

Ms. Hasnain has been our Director of Education and Learning & Development since January 2024. She has been Director of Education and Learning & Development for our affiliate Angus Valley Montessori Schools Inc. in Markham, Ontario, Canada since 2022. She has been Director of Angus Glen Montessori School, Inc. in Markham, Ontario, Canada since 2018.

Item 3
LITIGATION

No litigation is required to be disclosed in this Item.

Item 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5
INITIAL FEES

Deposit Agreement

Once you have submitted an application for the grant of a franchise and both you and us have agreed to move forward with the application and approval process, you will sign a Deposit Agreement

and will pay us a Deposit in cash in the amount of $10,000. The deposit paid will be applied to the initial franchise fee. Once the Deposit Agreement is signed, we will proceed with conducting a background check and you will be searching for a site for the Franchised Business.

The Deposit is non-refundable except as follows. If either of us terminates the Deposit Agreement before we have conducted the background check and before you have submitted a site to us for approval, we will refund the Deposit in full. If we terminate the Deposit Agreement after conducting the background search and have reasonably determined that we cannot accept you for ownership of an Angus Valley Montessori franchisee, you will not be entitled to any refund. If either of us terminates the Deposit Agreement after the background check has been conducted or after you have submitted at least one site to us for approval, we will retain $5,000 of the Deposit and will refund you $5,000.

Background Check

You must pay us for the cost of the background checks that we will conduct on each owner of the franchisee entity. Upon the execution of the Deposit Agreement, in addition to the Deposit, you will pay us an estimated amount per owner for the cost of the background check. The current estimate is $1,500 per person. If the actual cost of the background check is higher than the amount collected, you must pay us the difference upon demand. If the actual cost of the background check is lower than the amount collected, we will either reimburse you the difference or will add the overpayment to the amount of the Deposit.

Franchise Agreement

The initial franchise fee is $80,000. Once a site for the Franchised Business has been submitted to us and has been approved, we will send you a Franchise Agreement for signature. You must sign the Franchise Agreement within 14 days of receiving it from us. When you sign the Franchise Agreement, you must pay us in cash the balance of the initial franchise fee after applying the Deposit you previously paid. If for any reason, you sign a Franchise Agreement without signing the Deposit Agreement, you will pay the initial franchise fee in full when you sign the Franchise Agreement.

The franchise fee is not refundable except if you are unable to locate a site for the Franchised Business that is acceptable to us and have signed a lease or purchase agreement for such site within 14 months of the date of the Franchise Agreement, you or we may terminate the Franchise Agreement upon delivery of written notice. Once you have signed a release and other necessary documents regarding termination, we will refund you the initial franchise fee paid less our expenses incurred to date in connection with your franchise which shall be not less than $15,000.

Initial Training Fee and Software Purchase Prior to Training

You must pay us an initial training fee in the amount of $10,000. This fee covers initial training for 2 people. The fee must be paid to us at the time that the initial training is scheduled.

At the same time, you must purchase from us the Smartsheet software that will provide you

access to operations manuals, training materials, marketing materials, forms and other items needed for initial training and for the operation of the Franchised Business. The cost of purchasing the software through us for a license for the first year is $600.

AVMS Décor Package and Website Fee

You must purchase from us the AVMS Décor Package which includes the interior design plans for an Angus Valley Montessori School and services of our design professional who will adopt the décor package into the places for your specific site. You must pay us $25,000 for the AVMA Décor Package once you have secured a site for your School that has been approved by us.

Once you have secured an approved site for your School, you must pay us a non-refundable Website Fee in the amount of $2,500. This covers our services in designing and establishing a webpage for your School that will be linked to our website.

Pre-Opening Advertising

You must spend a minimum of $15,000 on a pre-opening advertising campaign prior to the opening of the Franchised Business. We reserve the right to conduct some or all of the pre-opening advertising on your behalf, and in such case, we will invoice you for the actual costs for such advertising and you must reimburse us for such costs within 15 days of receipt of the invoice. You will pay us between $0 and $15,000 for pre-opening advertising if we conduct any or all of the pre-opening advertising on your behalf.

Reimbursement for Site Evaluation Expenses

We will cover the expenses of visiting the first site that you propose to us. However, you must reimburse us for the costs we incur in conducting site evaluation visits for any additional sites that you propose after the first site visit. Our costs for a site evaluation visit is estimated to be between $0 and $3,500.

Reimbursement for Optional Site Development Assistance

If you request our assistance and we agree, we will provide you assistance with the development of the School. The assistance may relate to site and building plans, purchasing improvements, build-out, licensing and other matters. You must reimburse us for the costs we incur in providing this assistance, including our cost of compensating our representatives for providing such assistance and the travel expenses incurred by our representatives to travel to and from the site of your School. The cost of such assistance is estimated to be between $0 and $45,000.

Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	7% of Gross Revenues for the first 5 years of the franchise term. We have the right to increase the Royalty Fee at the end of the first 5 years of the term by an additional 1 to 2% of Gross Revenues.	Payable monthly on the 3rd day of each calendar month	Royalty Fees are calculated based on Gross Revenues for the previous month. Amounts due will be withdrawn by EFT from your designated bank account.
Brand Development Fund contribution	3% of Gross Revenues	Payable together with the Royalty Fee	See Item 11
Pre-Opening and Grand Opening Advertising reimbursement	Actual cost of expenditures we make on your behalf for advertising prior to opening, and grand opening advertising on or after the grand opening.	Within 15 days of receipt of our invoice	We have the right to conduct this advertising on your behalf and require you to reimburse us for the actual costs. You must spend a minimum of $15,000 on pre-opening advertising and a minimum of $15,000 on grand opening advertising.
Technology Fee	Not yet being charged. An amount we determine to cover our costs or paying fees to third party providers for technology development, maintenance, and usage for the franchise system, and subscription and license fees paid by us in order for franchisees to have access to and use certain technology tools, and for related research and development conducted by us.	Payable together with the Royalty Fee	We will give you 60 days prior notice before we begin charging this fee.
Proprietary Software or Software under group license	Currently no license fee is charged for proprietary software. Currently, the annual fee for the required Smartsheet software that	Payable monthly or annually. The fee for Smartsheet	We currently have not developed any proprietary software that you are required to use. If we implement a new fee for proprietary software, we will give you 30 days' notice before

	you must purchase through us is $600. The amount is subject to change based on any increases imposed by the licensor of the software.	software is currently paid annually and due when you schedule initial training.	we begin charging the fee.
Local Advertising	Minimum of $7,500 each calendar quarter	As incurred throughout each quarter	You must spend this amount on local advertising and promotion and submit to us reports of your expenditures.
Advertising and Promotional Materials	A reasonable fee as determined by us.	When billed	We may offer you advertising, promotional materials and information for conducting your own advertising a charge a fee for such materials.
Website Fee	$2,500	Once location is secured.	This fee covers the development of your webpage that is linked to our website.
Lunch Menu	$5,000	When billed after opening	This fee gives you access to our recipes, preparation methods and cooking instructions and menus.
Cooperative Advertising	Determined by the cooperative but not to exceed $3,750 each calendar quarter; Amounts paid to the cooperative will be a credit against your local advertising requirement.	As determined by cooperative	Payable if we establish an advertising cooperative in a geographic area in which you are located.
Initial Training Fee	$10,000 for the first 2 trainees. For additional trainees, you must pay our then-current training fee for additional trainees, with a maximum of $10,000.	When initial training is scheduled	You must pay your trainees' expenses, including travel, lodging, meals and wages. If you request that we provide our initial training program to more than 2 individuals or to new or replacement directors during the term of your Franchise Agreement, you must pay our training fee as well as the trainees' expenses. If new or replacement trainees do not complete our training program to our satisfaction, the training fee will be applied to another trainee you send to us.

Site evaluation expenses	Our actual expenses if visiting a proposed site.	When billed	We will cover the expenses of visiting the first site that you propose to us. This reimbursement will be required for any additional site visits we make to visit sites you have proposed, including if you wish to relocate during the term of the franchise.
Site Development Reimbursement	Actual expenses we incur	When billed	Payable if you request that we provide you assistance in the development of the School. You are responsible for payment of the salaries of our representatives while they provide this assistance as well as the travel expenses incurred by our representatives. This fee will also apply if you request assistance in developing a new site if you relocate during the term of the franchise.
Reimbursement for assistance required for non-compliance with Build-Out or Design Services	$200 per hour per person	When billed	Payable for additional assistance required due to the non-compliance during the construction of the School. This is in addition to the reimbursement for the site development assistance that may be requested by you.
On-Site Opening Assistance Expense Reimbursement	The travel expenses incurred by our representative in providing up to 2 weeks of on-site opening assistance.	When billed	We are responsible for payment of the salaries of our representatives while they provide the on-site opening assistance.
Seminars and Conference Registration Fee	We have not yet charged the registration fee. No registration fee shall be in excess of $1,000 per seminar or conference.	When incurred	Payable if we conduct and require you to attend a franchise convention, conference, or seminar and charge a registration fee.

Additional Training	Actual expenses incurred by us in providing additional training, including the salaries and travel expenses of our representatives	When billed	Payable if we require you or your management to take additional training.
Interest	18% per annum, calculated monthly in arrears from the date such payment was payable until repayment	On demand	Interest may be charged on all overdue accounts.
Late Reporting Fee	$50 for each failure	On demand	Payable if you fail to timely submit to us the monthly statement of Gross Revenue or any other reports, form or records we require.
Late Opening Fee	$8,000 for every month or partial month until you open	On demand	Payable if you fail to open the Franchised Business by the required opening date of 12 months from the date you secure the approved site and you have not received a written extension from us.
Administrative Fee	$350	Upon late or dishonored payment	Payable if a payment you owe us in late, dishonored, returned or not otherwise provided by the due date.
Audit Fee	Our expenses incurred in conducting the audit, including fees paid to an independent accountant and/or compensation paid to our representatives, plus travel expenses.	When Billed	Payable only if you fail to deliver the statements or reports to us or to maintain your books and records as required by the Franchise Agreement, or we find, after an audit, that you understated any amount you oweto us or Gross Revenues by 2% or more. You must also pay the understated amount plus interest.
Management Fee	5% of Gross Revenues plus expenses	If incurred	Payable if we step in and manage your School in certain circumstances, including your death, disability or if your operational defaults are a detriment to your School business.
Prohibited Product or Service Fee	$300 for each day of use of unauthorized products or services	On demand	Payable if you sell any product or perform any services that we have not prescribed, approved or

			authorized. This fee is in addition to other remedies available to us.
Transfer Fee	$15,000	Upon completion of transfer	Payable if you sell your interest in the franchisee, your interest in the Franchise Agreement, or the assets of the Franchised Business.
Renewal fee	50% of our then-current Initial Franchisee Fee	On signing the renewal franchise agreement	Payable if you renew your franchise at the end of the initial franchise term.
Liquidated Damages	An amount equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher.	Within 15 days of the effective date of termination	If we terminate your Franchise Agreement for cause or breach of agreement.
Attorneys' Fees and Costs	Will vary under circumstances	On demand	You must reimburse us for the expenses we incur (such as legal fees) in enforcing the Franchise Agreement if we prevail in the action or if we obtain an injunction or order of specific performance against you.
Reimbursement of Taxes	Actual assessed taxes against us based on your operation of the Franchised Business or on any payments you make to us.	On demand	Only payable if taxes of this type are assessed against us.
Indemnification	Will vary under circumstances	On demand	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from any act occurring on the business premises or any sale of services, or in the negotiation of, or by reason of any violation of the Franchise Agreement, any agreements entered into pursuant to

			the Franchise Agreement or of the Lease or the Sublease, or by reason of any act or omission arising out of or in respect of the Franchised Business.
Insurance	Cost of insurance, plus a handling fee of 10% of the premium to cover our expenses.	If incurred	If you do not maintain the required insurance coverages, we have the right (but not the obligation) to obtain insurance on your behalf.
Late Crisis Notification Fee	$2,500 for each and every failure to notify plus $500 per day beginning on the second day after the crisis	On demand	Because of the potential for damage to the System and the goodwill associated with the Mars, if you fail to alert us immediately of any potential crisis situation, including any allegation or occurrence of abuse, neglect or mistreatment of a child; any allegation or discovery that a child has been release to an unauthorized person; any occurrence of unlawful conduct in the School; any allegation or discovery of any hazardous substance associated with the School; any outbreak of a serious illness associated with the School; any allegation or discovery of any breach of computer or camera systems, loss of data, filed or personally identifiable information, after you know or reasonably should know of the existence of the potential crisis, you will pay us this fee to compensate for our added crisis-management efforts resulting from the late notification.
Rent for school premises	Will vary under circumstances your rent under the sublease will be the monthly charges we must pay to the landlord under the lease and may include a markup.	Monthly	Although we and our affiliates generally do not sublease the school premises to you, if we execute the lease for the premises and sublease it to you, you must pay us rent.

1. Unless otherwise noted, all fees are imposed by and payable to us. All fees are non-refundable. The above fees are uniformly imposed on franchisees.

2. You must pay the Royalty fee, Brand Development Fund contribution and any other amounts due to us will be paid by electronic transfer of funds. If you fail to submit a report of the Gross Revenue for any calendar month and we do not otherwise have access to this information, we may transfer or debit from your account an amount which is 120% of the last amount we transferred for payment of monthly Royalty Fees, Brand Development Fund contributions, and any other continuing fees, which amount will be reconciled once we receive the report of Gross Revenue.

3. Gross Revenues means the total amount of all sales and other income whatsoever, from whatever source (whether it be of a retail, wholesale or other nature), derived from conducting the Business, whether or not such amounts are collected and whether payment is made by way of cash, credit or otherwise. Gross Revenues does not include any taxes imposed by any governmental authority on sales collected from customers, provided that the amount of any such tax is in fact paid by you to the governmental authority, and the amount of any cash or credit refunded to a customer or discounts given to a customer.

Item 7
ESTIMATED INITIAL INVESTMENT

ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount – Range Estimated	Method of Payment	When Payable	To Whom Paymentis to be Made
Initial Franchise Fee[1]	$80,000	Lump sum	On signing Franchise Agreement	Us
Background Check[2]	$1,500 to $3,000	Lump Sum	On signing Deposit Agreement	Us
Site Evaluation Reimbursement	$0 to $3,500	Lump Sum	Upon Demand	Us
Initial Training Fee	$10,000	Lump Sum	When training is scheduled	Us
AVMS Décor Package[9]	$25,000	Lump Sum	Upon site approval	Us
Temporary Signage[3]	$1,000 to $10,000	Lump sum	Upon site approval	Supplier

Pre-Opening Advertising[4]	$15,000 to $20,000	As incurred	As incurred	Suppliers and/or Us
Grand Opening Advertising[5]	$15,000 to $40,000	As incurred	As incurred	Suppliers and/or Us
Website Fee[6]	$2,500	Lump Sum	Upon opening	Us
Lunch Menu[7]	$5,000	Lump Sum	Upon opening	Us
Site Development Assistance Reimbursements[8]	$0 to $45,000	As incurred	Upon demand	Us
Travel and Living Costs While Training[9]	$0 to $10,000	As incurred	As incurred	Transportation lines, hotels, restaurants
Furniture, Fixtures, Equipment and Supplies[10]	$290,000 to $410,000	As arranged	Before opening	Designated and Approved Suppliers
Security Deposit for Lease[11]	$20,000 to $80,000	As arranged	Upon signing lease	Landlord or Us
Leasehold Improvements[12]	$880,000 to $1,500,000	As incurred	As incurred	Approved contractors, consultants
Architect and Interior Designer Fees[13]	$50,000 to $75,000	As incurred	As incurred	Designated architect and interior designer
Utility Security Deposits	$10,000 to $30,000	As arranged	Before opening	Utility Companies
Rent – 3 Months[11]	$70,000 to $120,000	As incurred	As incurred	Landlord or Us
Permits and Licenses[14]	$4,000 to $7,000	As incurred	As incurred	Governmental Authorities
Insurance – 3 months[15]	$5,000 to $10,000	As arranged	As arranged	Insurance Companies
Signs	$15,000 to $20,000	Lump Sum	Before opening	Approved supplier
Computer System[16]	$15,000 to $20,000	As arranged	Before opening	Approved Suppliers and Us
Security System	$15,000 to $25,000	As arranged	Before opening	Approved Suppliers

Miscellaneous[17]	$10,000 to $80,000	As incurred	As incurred	Third parties, including attorneys and accountants
Additional Fund – First 3 months[18]	$350,000 to $400,000	As incurred	As incurred	Employees and third parties
Total	$1,889,000 to $3,031,000			

Explanatory Notes:

This is our estimate of the costs you will incur to develop and open the Business. Except for the deposit and initial franchise fee, payments to us are non-refundable. You will need to determine if payments to third parties are refundable.

1. **Initial Franchise Fee**. $10,000 of the Initial Franchise Fee is paid to us when you sign the Deposit Agreement and the balance is paid when you sign the Franchise Agreement. The refundability of the $10,000 deposit and the initial franchise fee is described in Item 5.

2. **Background Check**. You must pay us for the cost of the background checks that we will conduct on each owner of the franchisee. When you sign the Deposit Agreement, you will pay us an estimated amount per owner for the cost of the background check. The current estimate is $1,500 per person. If the actual cost of the background check is higher than the amount collected, you must pay us the difference upon demand. If the actual cost of the background check is lower than the amount collected, we will either reimburse you the difference or will add the overpayment to the amount of the Deposit.

3. **Temporary Signage**. You must purchase temporary signage from an approved supplier that will be in place at the site during the build-out of the premises. We will provide you with the design for the sign that you will provide to the supplier.

4. **Pre-Opening Advertising.** You must spend a minimum of $15,000 on pre-opening advertising up to 8 months prior to the opening of the Business. We will provide you with pre-opening marketing and advertising guidelines. We reserve the right to conduct pre-opening advertising on your behalf. If we do, we will invoice you for the actual costs of the advertising conducted by us.

5. **Grand Opening Advertising.** You must spend a minimum of $15,000 on a grand opening event and subsequent grand opening advertising. We will provide you with grand opening marketing and advertising guidelines. We reserve the right to conduct grand opening advertising on your behalf. If we do, we will invoice you for the actual costs of the advertising conducted by us.

6. **Website Fee**. This fee covers our expenses in designing a webpage for your Franchised Business that will be linked to our website.

7. **Lunch Menu.** You must pay us this fee for access to and use of approximately 450 recipes, cooking instructions and menus that we have developed for lunch and snacks for the students.

8. **Site Development Assistance Reimbursement.** If you request our assistance and we agree, we will provide you assistance with the development of the School. The assistance may relate to site and building plans, purchasing improvements, build-out, licensing and other matters. You must reimburse us for the costs we incur in providing this assistance, including our cost of compensating our representatives for providing such assistance and the travel expenses incurred by our representatives to travel to and from the site of your School.

9. **Travel and Living Expenses While Training**. We cover the cost of the initial training program for 2 individuals, but you will be responsible for the travel, lodging, meals and other living expenses of your owners while attending the initial training program. This estimate covers the costs for 2 people. If you want additional people to attend the initial training, you will be required to pay us an initial training fee. If you and we determine that it would be beneficial for you to observe the operation of one of our affiliate's Angus Valley Montessori School businesses located in Canada as part of the initial training, you may incur additional travel expenses.

10. **Furniture, Fixtures, Equipment and Supplies**. Included in this estimate is the purchase or lease furniture, fixtures and equipment for the kitchen, including refrigerators (including walk-in or reach ins), freezer, oven, stove, fryer, ice machine, worktables, shelving, dishwasher, kitchen hood and other related items including small wares for the kitchen; furniture, fixtures and equipment for the school, including tables, chairs, desks, window coverings, strollers, cribs, telecommunications system, cots, educational materials, classroom supplies, janitorial supplies, office and classroom stationary, outdoor toys, sports equipment (basketball nets, etc.), seasonal decorations, classroom carpets/rugs, staff room furnishings, staff uniforms and photocopier; and surfacing, equipment, and fencing for the playground. Our estimates assume that all furnishings and equipment will be purchased, not leased, except for the photocopier. This estimate does not include sales tax (where applicable) or freight charges.

11. **Security Deposit and Rent**. The expected size for a typical School is between 8,000 to 10,000 square feet. The costs for rent will vary widely depending on factors such as property location, the size of the leased premises, the types of charges allocated to tenants under the lease, prevailing rent rates in the area, and your ability to negotiate with the landlord. Landlords typically require a security deposit equal to 2 to 4 months of rent. We have not included an estimate for purchasing a site as it is anticipated that franchisees will not be purchasing land and constructing a building.

    Although we typically don't offer this option, we may on occasion based on the particular circumstances enter into the lease for the premises and sublease the premises to you. If we

do so, you must pay us on a monthly basis the amount of rent and other charges that we must pay the landlord. We also reserve the right to charge a mark-up on the monthly amount you must pay to us.

12. **Leasehold Improvements**. The cost of leasehold improvements will vary depending on numerous factors, including the (i) the size, configuration and condition of the premises; (ii) pre-construction costs (such as demolition of existing walls and removal of existing improvements and fixtures); and (iii) cost or materials and labor, which may vary based on geography and location. These amounts are based on the cost of adapting our prototypical architectural design plans to remodel and finish-out of a School and the cost of leasehold improvements. These amounts may be significantly reduced where the premise was a similar style school that can be retrofitted. These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials. These costs may also vary depending on whether certain of these costs will be paid by the landlord.

13. **Architect and Interior Design Fees.** You must purchase architectural, engineering, contractor and exterior and interior design services necessary for the construction of the School from vendors and firms designated and/or approved by us. With your purchase of the AVM Décor Package, you will receive the interior design specifications for the build-out and our design services professionals will adopt them to your specific premises.

14. **Permits and Licenses.** This estimate covers the cost of obtaining permits and licenses for the operation of the School and obtaining any local business licenses.

15. **Insurance**. You must maintain insurance of the types and amounts required by us. (See Item 8.) The cost of insurance will depend on policy limits, the types of coverage, the location of your premises, and other factors. The estimates covers insurance for the first 3 months of operation. The cost of builders' risk insurance required during build-out is included in the estimate for leasehold improvements.

16. **Computer System**. This estimate covers the cost of a desktop office computer and tablets (iPads) for each of the classrooms. The higher estimate includes a laptop computer for the owner. This estimate also includes the cost of required software, including the Smartsheet software that you must purchase from us. See Item 11.

17. **Miscellaneous Expenses.** This estimate covers costs for storage of supplies; professional fees for attorneys and accountants to assist you with franchise document review, entity formation, and reviewing and negotiating the lease for the premises, and payment of payroll and other incidental expenses before you open your Facility.

18. **Additional Funds**. This estimate is for the first 3 months of operation. This estimate includes payroll, utilities, payments to vendors, advertising, promotion, royalty Fees, brand development fund contributions, subscription fees and similar costs during the initial phase of a new school, but we have not included or factored in any sales revenue your School may generate during this period. Your costs will depend on factors such as how much you follow our System and procedures, the local market for purchasing food products, the

prevailing wage rate, competition, and the sales level reached during the initial period. The estimate does not include a salary or draw for your owners and does not include debt service.

In compiling these estimates, we relied on the experience of our owners and affiliates in operating and franchising similar businesses in Ontario, Canada since 2014. You should review these figures carefully with a business advisor, accountant or attorney before making any decision to purchase a franchise. We do not offer any financing for your initial investment. The availability and terms of financing with third-party lenders will depend on factors such as the availability of financing generally, your credit-worthiness and policies of lending institutions concerning the type of business to be operated.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase certain products and services only suppliers we designate, which may include us or an affiliate. Currently, you must purchase from us the AVMS Décor Package and the Smartsheet software. You must also purchase the following from suppliers that we designate: architectural services, design services, millwork, furniture, fixtures, and kitchen equipment, Montessori materials, and uniforms.

You must follow the requirements of the Décor Package relating to purchases of leasehold improvements, furniture, fixtures and décor. You must hire a contractor for building out the premises that has been approved by us.

You must purchase other products and services from suppliers who have been approved by us. Currently, these include other equipment (including computer systems, security equipment and playground equipment), software and applications, signs, inventory and supplies, insurance, food and beverage products,. Currently, we are not an approved supplier of any of these items. Other products and services must be purchased following our standards and specifications.

We will provide you with the lists of designated and approved suppliers and purchasing specifications and standards in the Operations Manual or otherwise in writing. You must comply with all of our directives regarding suppliers and purchasing requirements, and shall cease using any supplier upon direction from us.

We currently do not have any formal procedures for permitting franchisees to use alternate supplies. We do not make our criteria for approving suppliers available to our franchisees or to suppliers.

In addition to the purchases discussed above, you must obtain and maintain the insurance coverage that we require from time to time and meet other insurance-related obligations described in the Franchise Agreement. Before you begin building out the premises, you must obtain builder's risk insurance. Currently, you must maintain insurance as follows during the operation of the Franchised Business:

Comprehensive General Liability - $1,000,000 per occurrence and $2,000,000 aggregate to provide Bodily Injury and Property Damage including Products Liability, Personal & Advertising Liability, Tenant's Liability and Medical Payments. This policy may not have any exclusions for virus, bacteria or pandemics and must be on an occurrence form unless not commercially available;

Automobile Liability - $1,000,000 Combined Single Limit Liability to cover any auto used in the franchised business including owned, non-owned and rented/hired vehicles;

Umbrella Liability - $3,000,000 limit excess of Comprehensive General Liability, Automobile Liability, Employer's Liability and Employee Benefit Liability;

Property Insurance - to cover 100% of the replacement cost of all build-out, furniture, fixtures, equipment and inventory used in the franchised business. This policy must include Flood and/or Earthquake coverage in geographically prone zones;

Business Income & Extra Expense – will be covered for a limit of at least 50% of your sales limit or 12 months actual loss sustained. This policy will also cover royalties due to the franchisor. This policy should include an Extended Period of Indemnity of at least 180 days;

Workers' Compensation and Employer's Liability – Statutory Workers' Compensation for lost wages and medical payments for job related injuries and Employer's Liability of $1,000,000 for any claims brought against the employer by an employee for an intentional injury;

Employment Practices Liability – $1,000,000 limit to cover any wrongful employment acts, third-party liability for discrimination and harassment, include Wage & Hour Defense for at least $100,000 and include the Franchisor as a Co-Defendant.

Cyber Liability - $1,000,000 limit to cover all first and third party cyber claims, including but not limited to Privacy Liability, Regulatory Liability, PCI-DSS Liability, Business Interruption, Cyber Extortion, and Social Engineering for $100,000.

Professional Liability - $1,000,000 per occurrence and $2,000,000 aggregate to cover any wrongful act or educator's legal liability claim brought against you and/or us as a result of your professional services as an Angus Valley Montessori Schools franchisee. This policy will be written on an occurrence form unless not commercially available. If this policy is written on a Claims-Made basis a two-year tail policy will be required if it is cancelled or non-renewed due to cessation of your business operations as an Angus Valley Montessori Schools franchisee. This policy may not have a retention or deductible greater than $5,000 per claim;

Sexual Misconduct Coverage - $1,000,000 per occurrence and $2,000,000 aggregate on an occurrence form basis. This policy will require a two-year tail if it is cancelled or non-renewed if it is on a Claims-Made basis; and

Other. All other insurance that is required by your landlord or applicable law. We also reserve the right to require coverage post termination on any policy required by this section. We will provide 30 days written notice if it elects to exercise this option.

The cost of this coverage will vary, depending on the insurance carrier's charges, terms of payment and your history. Each insurance policy must name us as an additional insured and must provide us with 30 days advance written notice of any material modification, cancellation, or expiration of the policy. The above requirements are minimum coverages and you may determine that you want to increase the coverages for your Franchised Business.

Currently, none of our officers or managers has an ownership interest in a designated or approved supplier.

You must obtain our prior written approval of any lease for the premises of the School and we require that a Collateral Assignment of Lease be made part of the lease. If you sublease the premises of the School from us or our affiliate, you must sign a sublease in a form prescribed by us. The form of sublease will be dependent upon the terms and condition of the lease we must sign with the landlord. The rent we charge under the sublease may exceed the amount we pay to the landlord in which case we or our affiliate may derive revenue from the sublease for your School.

Since we are offering franchises for the first time under this Disclosure Document, neither we nor any affiliate has to date derived any revenue from the sale of products or services to our franchisees. If we or an affiliate is a designated or an approved supplier, we have the right to make a profit on the sale of products or services to our franchisees.

The purchase of products from designated suppliers, approved suppliers or in accordance with specifications and standards will represent approximately 70% to 75% of your initial purchases and leases in opening the Franchised Business and 50% to 55% of your ongoing purchases and leases in operating the Franchised Business.

We do not provide any material benefits (for example, successor or additional franchises) to franchisees based on the franchisee's use of designated or approved suppliers. However, you must comply with the requirements to purchase from designated or approved supplier to be in compliance with your franchise agreement.

We may in the future negotiate purchase arrangements with suppliers for the benefit of franchisees. We currently are not receiving rebates from any suppliers we have designated or approved, but we reserve the right to do so in the future. We currently do not have any purchasing cooperatives.

You must submit the proposed lease for your site to us for acceptance before you sign it. We may require that the lease be collaterally assigned to us by a collateral assignment agreement

in a form and substance reasonably acceptable to us in order to secure performance of your liabilities and obligations to us. We have 15 days after receipt of the lease to either approve or disapprove the lease.

Prior to your use of them, you must submit to us for approval or disapproval all advertising and promotional plans and materials before using them. If you do not receive written approval within 15 days from the date of our receipt of such plans and materials, the plans and materials will be deemed disapproved.

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 Franchise Disclosure Document.

Obligation	Section in Franchise Agreement and/or Deposit Agreement as noted	Disclosure Document Item
(a) Site selection and acquisition/lease	Sections 2.2, 2.3, 5.1, 10, Schedule A Deposit Agreement, Par. 3, 4, 5, 6	Items 7, 11 and 12
(b) Pre-opening purchases/leases	Sections 8.1, 9.6, 10.2, 10.3, 10.6	Item 7 and 8
(c) Site development and other pre-opening requirements	Sections 5.1, 9.6, 10	Items 6, 7, 11
(d) Initial and ongoing training	Sections 5.5, 6.2(d), 6.5, 8, 10.6	Item 11
(e) Opening	Sections 5.6, 8.1, 9.1, 9.6, 10.5, 10.6, 15.1(c)	Item 11
(f) Fees	Sections 2.6, 3, 4.2, 4.5, 5.1, 6.6, 8.1, 8.4, 9.1, 9.9, 10.6, 16.3, 17.2(b), 17.4(c)(7) Deposit Agreement, Par. 1 and Par. 6	Items 5, 6 and 7
(g) Compliance with standards and policies (Operations Manual)	Sections 2.6, 2.7, 5.1, 6, 7, 9.1, 9.2, 9.5, 9.9, 10.4, 13.1	Item 8, 11 and 16
(h) Trademarks and proprietary information	Sections 2.4, 7.2, 7.3, 9.5, 9.9, 12	Items 13 and 14

Obligation	**Section in Franchise Agreement and/or Deposit Agreement as noted**	**Disclosure Document Item**
(i) Restrictions on products/services offered	Sections 5.7, 6.1, 6.6, 15.1	Items 8 and 16
(j) Warranty and customer service requirements	Sections 6.5, 6.6, 6.9, 6.16, 15.1	None
(k) Territory development	Sections 2.2, 2.3, 6.3, 9.1	Item 12
(l) On-going product/services purchases	Sections 3.9, 4.1, 6.3, 6.6, 6.9, 6.14, 6.15, 9, 13.1	Item 8
(m) Maintenance, appearance and remodeling requirements	Sections 6.3, 10.3, 10.5, 15.1(b)	Item 11
(n) Insurance	Sections 6.12, 10.3, 13	Items 6 and 7
(o) Advertising	Sections 5.3, 9	Items 6, 7, and 11
(p) Indemnification	Section 14	Item 6
(q) Owner's participation/ management/staffing	Sections 6.2, 6.5, 8.1, 8.2, 8.3, 14.3	Items 11 and 15
(r) Records/reports	Sections 3.4, 4, 6.16, 9.1, 16.1(g),	Item 6 and 11
(s) Inspections/audits	Section 4, 6.16, 6.17, 10.5	Item 6 and 11
(t) Transfer	Section 17	Item 6 and 17
(u) Renewal	Sections 2.6, 6.3	Item 6 and 17
(v) Post-termination Obligations	Section 16	Item 17
(w) Non-competition Covenants	Sections 7.3, 11.1, 16.2, 17.4(c)(3), 19.2	Item 17
(x) Dispute Resolution	Section 19 Deposit Agreement, Par. 16	Item 17
(y) Security Interest	Section 17.6, Schedule C	Item 10
(y) Guaranty	Section 18.3, Schedule D	Item 15

Item 10
FINANCING

We do not offer direct or indirect financing.

All franchisees sign a Security Agreement attached to the franchise agreement which covers any amounts due and owing to us, including note payments. Liabilities for non-payment include acceleration of the entire amount of the note and all remedies provided for under the terms of the Franchise Agreement for non-payment of any amounts due to us.

We do not guaranty your note, lease or obligation.

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

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

Before you open your Franchised Business

1. We will provide you with our written site selection guidelines, and may, but are not obligated to, provide site selection assistance. We may, but are not obligated to, visit your proposed site to determine if it is suitable. The factors that we may consider in determining whether a proposed site for the Franchised Business is acceptable include Size, configuration and accessibility of the premises, ability to have a playground area, ample parking, high visibility, and ability to comply with local laws and licensing requirements. Site selection criteria for the surrounding area include neighborhood growth potential, demographics with young families, median household income, proximity to elementary schools, types of other businesses and amenities in the area, and easy access to transit routes or major freeways.

We will provide you written notice of whether we have accepted the proposed site within 45 days of receiving your request and all necessary documents. Our acceptance of the location does not ensure that your Franchised Business will be successful at the accepted location. You must obtain our approval of your site for the Franchised Business within 360 days of signing the Franchise Agreement. (Franchise Agreement, Section 10.1 and 10.2.)

If within a period of 14 months following the date of the Franchise Agreement, a suitable location for a School has not been found and a lease has not been entered into for such location, then a lease has been entered into, either you or us may terminate the Franchise Agreement upon delivery of written notice. In such case, upon execution of mutual releases and document required to terminate the Franchise Agreement, we will refund to you the initial franchise fee paid, less reasonable costs and expenses, including commissions, consulting fees, broker fees, expenses relating to site selection and demographic data, and our travel expenses in inspecting proposed sites, which will not be less than $15,000. (Franchise Agreement, Section 10.8)

2. We will furnish you with standard layout and interior design plans for the School premises. Your architect and interior designer must conform these plans to your specific site and local requirements (Franchise Agreement, Section 5.1.).

3. We will determine that you have met the requirements to open for business and issue a written authorization to open (Franchise Agreement, Section 10.5)

4. We will provide initial training to your owners and Director (Franchise Agreement, Section 8.1.) This training will be described in detail later in this item.

5. We will provide on-site assistance at your Franchised Business, at our expense, around the date of the opening of your Franchised Business. (Franchise Agreement, Section 8.1.b))

6. We will provide you with pre-opening advertising guidelines and grand opening advertising guidelines that you must conduct prior to and after opening. At our option, we may conduct some of the pre-opening or grand opening advertising on your behalf and you will reimburse us for our costs. (Franchise Agreement, Section 9.6)

During your operation of Franchised Business

1. We furnish you with advice and written materials concerning techniques of managing and operating the School from time to time, including providing new developments and improvements. (Franchise Agreement, Section 5.4)

2. We may furnish you with certain advertising, promotional materials and information from time to time for use by you in marketing and conducting local advertising. (Franchise Agreement, Section 5.3)

3. We may make visits for your Franchised Business for the purpose of evaluating the services provided and products sold from the Franchised Business. (Franchise Agreement, Section 5.2)

4. We will loan you during the term of the Franchise Agreement the proprietary curriculum developed by us and our Affiliate for programs, classes, camps and other activities conducted by the Franchised Business. You must use our curriculum in providing services to students at your Franchised Business and no other curriculum. (Franchise Agreement, Section 5.7)

5. We loan to you, during the term of the Franchise Agreement, one copy of a manual that contains information for the operation of the Franchised Business, including specifications for designated services, methods of inventory control, bookkeeping and reporting procedures,business practices and policies, and other management and personnel policies. The Manual may be modified at any time to reflect changes in the System. (Franchise Agreement, Section 7.1) The table of contents of the Manual as of the date of this Disclosure Document is attached to this Disclosure Document as Exhibit E. Currently, the Manual has a total of 286 pages.

You must purchase and use the computer systems (software and the hardware to support it)

that we require for use at your Franchised Business from time to time. Currently, you are required to purchase and use an office computer with off the shelf software and tablets (iPads) for each classroom. The computer system is used to collect and monitor student information and tuition payments, and to create business reports and may be used to collect and monitor inventory control and shrinkage, payroll and accounting information, gift cards and loyalty program, and credit card processing. The estimated initial cost of purchasing the computer system is $15,000 to $20,000.

You will also need to obtain certain software such as Microsoft Office and QuickBooks Online. We estimate the monthly cost for QuickBooks to be $80 per month. You must purchase Procare software for the operation of the Franchised Business. The current cost is $90 per month. You must use Smartsheet software in the operation of the Franchised Business. We have purchased a group license so you will purchase this software from us. The current fee you must pay us is $600 per year.

If in the future we develop and introduce customized or proprietary software into the System, you must install and use the software in the operation of your Franchised Business. You may be required to sign a software license agreement and paying applicable license and maintenance fees.

You must install and maintain equipment for a high-speed internet connection for communication with us and to permit us to access to data on your computer system. This will permit us to electronically inspect and monitor information concerning your School's Gross Revenues and any other information that may be contained or stored in the equipment and software. You must make sure that we have access at the times and in the manner we specify.

You are obligated to repair and maintain all point of sale and computer systems necessary for theoperation of your business. You are required to update and upgrade all necessary point of sale and computer systems in response to changes in the Operations Manual, or changes in our policies that are communicated to you in writing. There are no restrictions on the frequency or cost of such updating and upgrades.

We have no obligation to provide ongoing maintenance, support or upgrades to the required computer system. The estimated annual cost for maintenance of the required computer system is $0 to $5,000.

Typical Length of Time for Opening

We estimate that the length of time between the signing of the Franchise Agreement and the opening of your Franchised Business will be 12 to 24 months if you have identified the location for your Franchised Business when you sign the Franchise Agreement or 12 to 36 months if you have not identified a location when you sign the Franchise Agreement. Factors that may affect the time it takes to open include the amount of time it takes to secure an approved site for your Franchised Business, for lease negotiations, for lender approvals, to obtain required permits, licenses and to meet other regulatory requirements, to complete build-out of the school premises, for delivery and installation of the required equipment, to complete the initial training program, and other factors.

Prior to opening, you must obtain all necessary licenses, permits and approvals, including

child care facility licenses and approvals required by your state, shall complete all training requirements and build-out the premises of the Franchised Business as required by the Franchise Agreement. You must obtain written authorization to open. You must complete all pre-opening requirements and begin operation of your Franchised Business within 12 months of signing the lease for your site.

Training

A principal owner and your Director must attend and complete to our satisfaction the Initial Training Program on the operation of a Franchised Business. The Initial Training Program will last approximately 1 to 2 weeks and will be conducted remotely in part and at a training location designated by us in the Chicago metropolitan area. Initially, we expect to conduct initial training classes as needed.

If we determine during a training program that an Owner has not successfully complete the training, we can terminate your franchise, effective upon delivery of written notice to you. If we determine during a training program that your non-owner Director is not qualified to manage a Franchised Business, you must hire another Director and the substitute Director must attend and successfully complete additional training.

We will train up to 2 people for the initial training fee. You will pay our then-current fee for any additional trainees. You will be responsible for all compensation, travel, lodging and other living expenses incurred by your Owners and Director while attending training. (Franchise Agreement, Section 8.1.a)

As of the date of this Disclosure Document, we provide the following initial training:

INITIAL FRANCHISE TRAINING

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Roles & Responsibilities			
Building Maintenance	2 hours	0 hours	Remote and/or location in Chicago metropolitan area
Franchise Management System	2 hours	0 hours	Remote and/or location in Chicago metropolitan area
Royalty Management	2 hours	0 hours	Remote and/or location in Chicago metropolitan area
Accounting (Requirements)	1 hour	0 hours	Remote and/or location in Chicago metropolitan area
Scheduling and Planning:	2 hours	0 hours	Remote and/or location in

Time management			Chicago metropolitan area
Staff Retention and Recruitment of Staff:	2 hours	0 hours	Remote and/or location in Chicago metropolitan area
ADA Compliance Franchise Disclosure Document	2 hours	0 hours	Remote and/or location in Chicago metropolitan area
Professional Development Programs Masterclass	3 hours	0 hours	Remote and/or location in Chicago metropolitan area
Regulatory Compliance & Safety Standards	2 hours	0 hours	Remote and/or location in Chicago metropolitan area
Educational Space Layout: Classroom Organization	3 hours	0 hours	Remote and/or location in Chicago metropolitan area
Risk Management - Legal, Franchise Relations, Cyber liability: Privacy/Confidentiality (children's info)	3 hours	0 hours	Remote and/or location in Chicago metropolitan area
Franchise Model / Communications: Franchise monthly meetings to get feedback	2 hours	0 hours	Remote and/or location in Chicago metropolitan area
Branding 101			
Interior Design	2 hours	0 hours	Remote and/or location in Chicago metropolitan area
Use of Trademarks	1 hour	0 hours	Remote and/or location in Chicago metropolitan area
Use Marketing Materials	2 hours	0 hours	Remote and/or location in Chicago metropolitan area
Field Trips: Community Reputation and Engagement / Better Together	1 hour	0 hours	Remote and/or location in Chicago metropolitan area
Marketing & Communications Tools			
Happy Parent(s): Family Relationship	1 hour	0 hours	Remote and/or location in Chicago metropolitan area
Hear Teacher Experience: Facility Journey	1 hour	0 hours	Remote and/or location in Chicago metropolitan area

Watch a Franchisee Story Systems - Better Together	1 hour	0 hours	Remote and/or location in Chicago metropolitan area
Prospective Parent Conversations Admission and Re-Admission Role-Playing: Communication Scenarios	2 hours 1 hour 2 hours	0 hours	Remote and/or location in Chicago metropolitan area
Community Appreciation Events Holiday Celebration Concert	2 hours 2 hours	0 hours	Remote and/or location in Chicago metropolitan area
Foundations of Marketing and Communications	1 hour	0 hours	Remote and/or location in Chicago metropolitan area
Operational Manual Orientation			
- Administration - Supervisor - Curriculum - Hiring	2 hours 3 hours 5 hours 1 hour	0 hours	Remote and/or location in Chicago metropolitan area
Licensing Requirements Overview	2 hours	0 hours	Remote and/or location in Chicago metropolitan area
Vulnerable Sector Screening: Community Reputation and Engagement	1 hour	0 hours	Remote and/or location in Chicago metropolitan area
Networking and Sales			
Competitive Comparison	2 hours	0 hours	Remote and/or location in Chicago metropolitan area
Open House & School Arrival: Enrolment Process and Tour	2 hours	0 hours	Remote and/or location in Chicago metropolitan area
School Tour: Enrolment Process	2 hours	0 hours	Remote and/or location in Chicago metropolitan area
Apply as a Parent: Enrolment Process and Tour	2 hours	0 hours	Remote and/or location in Chicago metropolitan area
Food Safety/Quality Control			

Health and Safety Facilities Standards	1 hour	0 hours	Remote and/or location in Chicago metropolitan area
Food Handling	1 hour	0 hours	Remote and/or location in Chicago metropolitan area
Chef for a Day - Liabilities & Responsibilities - Lunch Operational Manuel Review - Taste of AVMS (Lunch Menu)	4 hours	0 hours	Remote and/or location in Chicago metropolitan area
Health & Safety Facility Standards			
Sanitation - Cleaning Procedures & Sanitation Protocols	2 hours	0 hours	Remote and/or location in Chicago metropolitan area
Regulatory Compliance & Safety Standards	3 hours	0 hours	Remote and/or location in Chicago metropolitan area
Documentation and Recordkeeping	3 hours	0 hours	Remote and/or location in Chicago metropolitan area

The initial training program will be overseen by Ms. Syeda Hasnain, our Director of Education and Learning & Development. With over a decade of leadership experience, Ms. Hasnain has played a pivotal role in shaping the educational standards and professional development of our affiliate's franchise network in Canada. Ms. Hasnain brings a wealth of expertise in training, instructional design, and curriculum development, with a particular focus on the Montessori method. Her deep understanding of early childhood education is backed by her qualifications, including a Diploma in CASA Montessori and her status as a Registered Early Childhood Educator (RECE). She has more than 20 years of experience supervising teams and spearheading training initiatives. Other employees of ours or our affiliate may assist Ms. Hasnain with the training. We reserve the right to make changes to the instructors at any time.

Currently the instructional materials for the initial training program are the Operations Manual, hand-outs, slide shows and interactive activities, including role playing, hands-on experiences or case studies.

In addition to the initial training, we will send one or more of our representatives to spend up to 2 weeks at your Franchised Business around the time of opening to provide opening assistance as we deem necessary. (Franchise Agreement, Section 8.1.b)

We may offer and we may require your Owners, Directors and other management personnel to attend additional training at times and places we designate. We may charge a fee for any such training and you will be responsible for the travel and living expenses of your Owners, Director and any other employees who attend the training. (Franchise Agreement, Section 7.3)

We may periodically hold and require you to attend franchise conventions, conferences or seminars conducted by us, which may take place outside of the United States. We may charge you a conference registration fee and you will be responsible for your travel and living expenses. (Franchise Agreement, Section 8.4)

Item 12
TERRITORY

You will operate from one location approved by us. Once the site for your Franchised Business is accepted, we will assign you an exclusive territory for your Franchised Business. In deciding the size and scope of your geographical exclusive territory, we will consider factors such as location, population density, and demographics of the surrounding area.

During the term of the Franchise Agreement, we will not establish another franchised, company-owned or affiliate-owned Angus Valley Montessori in your Territory.

We reserve the following rights within and outside the Territory:

a. the right to develop, use and license the use of proprietary marks other than the Trademarks, in connection with the operation of a program or system that offers products or services which are the same as or similar to and which may compete with the Business;

b. the right to develop, market, own, operate or participate in any business other than a Business under the Trademarks or any other trademarks;

c. the right to operate, and to grant others the right to operate an Angus Valley Montessori School located anywhere outside the Territory under any terms and conditions we deem appropriate and regardless of their proximity to your Franchised Business location or the Territory and its actual or threatened impact on sales of the Franchised Business;

d. the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by the Business, and franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the Franchisees or licensees of thesebusinesses) are located or operating;

e. the right to be acquired, (in whole or in part and regardless of the form oftransaction), by a business providing products and services similar

to those provided by the Franchised Business, or by another business, even if such business operates, franchises and/or licenses a business involved in the offer or sale of the products orservices which are the same as or similar to and which may compete with the Franchised Business;

f. the right to distribute, offer, or grant to someone else the right to distribute or offer, the same or similar products and/or services, using the Trademarks or different trademarks, by alternative means delivery or sales, and/or as part of or in combination with other retail establishments; and,

g. the right to establish a website and use social media to promote the us and/or the Franchised Businesses, which may, in our discretion, include a webpage,owned by us, specific to each Angus Valley Montessori Schools franchisee.

If you wish to relocate your Franchised Business, or if the premises of the Franchised Business is damaged or destroyed and cannot be repaired within 360 days, you must submit to us in writing the materials we require to consider your relocation request, including information concerning the proposed new location for the School. You must also meet certain other requirements, such as being in compliance with the Franchise Agreement, the location meets our then-current requirements for Angus Valley Montessori School businesses and is located within your Territory. We will use our then-current criteria in reviewing a proposed new location for your School. You must reimburse us for any costs we incur in evaluating the proposed new location. In addition, if you request our assistance in developing the Franchised Business at the new location, you must reimburse us for any costs we incur.

You cannot, without our prior written consent, directly solicit customers outside of the Territory. You may accept customers who are located outside of the Territory if the business is received without direct solicitation of the customer by you.

Continuation of territorial exclusivity is not dependent upon achieving a certain sales volume, market penetration or other contingency.

You do not receive any options, rights of first refusal, or right to acquire additional franchises under the franchise agreement. You must meet our then-current qualifications for opening another franchise and purchase another franchise to establish another Franchised Business with additional territory.

Item 13
TRADEMARKS

Under the Franchise Agreement, we grant to you the right to use certain trademarks, service marks, and other commercial symbols in operating your Franchised Business pursuant to a license granted to us by our affiliate and owners of the Marks, Angus Valley Montessori Schools Inc. ("Affiliate"). Our Affiliate filed the applications for registration of the following principal marks on

the Principal Register of the United States Patent and Trademark Office ("PTO"):

Service Mark	Serial Number	Filing Date
Angus Valley Montessori (word mark)	98478514	April 1, 2024
Angus Valley Montessori (design mark)	98478567	April 1, 2024
Angus Valley Montessori A Kids Camp Learn.Grow.Achieve (design mark)	98479513	April 2, 2024
Learn.Grow.Achieve (word mark)	98479476	April 2, 2024

Our Affiliate will file all required affidavits necessary to maintain these registrations.

We currently do not have a federal registration for our principal trademark. 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.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation involving the Marks.

We derive the right to use the Marks under a Trademark License Agreement dated November 1, 2024 (“License Agreement”) with our Affiliate. The License Agreement between us and Our Affiliate permits us to license to our franchisees in the United States the use of the Angus Valley Montessori name and the Marks. The term of the License Agreement is 5 years, with automatic renewals of 5 years each unless the Affiliate issues a written notice of termination based on our breach of the License Agreement. Upon termination of our License Agreement, you would be required to immediately cease using the Marks. Other than the License Agreement, there are no agreements currently in effect that significantly limit our right to use or license the use of the Marks in any manner material to you.

Your right to use the Marks is limited by the terms and conditions of the Franchise Agreement. You must comply with our rules when you use the Marks.

You may not register or attempt to registration the Marks. You may not contest or assist any other person in contesting the validity or ownership of the Marks or take any action adverse to our claimed rights in and to the Marks.

You must use the Marks to identify your Franchised Business, but you must also identify yourself as the independent owner of your Franchised Business. You may not use or register any Mark as part of your entity name or with any prefix, suffix or other modifying words, terms, designs or symbols (except for those we license to you) or in any modified form. You may not use any Mark in connection with the sale of any unauthorized product or service or in any other manner we have not expressly authorized in writing.

You must not obtain or register any domain names incorporating the Marks. You must not use the Marks on any website, in social media or in any other manner on the Internet without our prior written consent. You must abide by any social media policy that we issue.

You must notify us in writing within one week of any apparent infringement of or challenge to your use of any Mark, or any claim by any person of any rights in any Mark or any similar mark and you may not communicate with any person other than us, our Affiliate or our attorneys and your attorneys regarding the infringement, challenge or claim. We and our Affiliate have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, PTO proceeding, ICANN Uniform Domain Name Dispute Resolution Policy proceeding or other administrative proceeding arising out of any infringement, challenge or claim to any Mark. You must sign all instruments and documents, provide assistance and take any action that, in the opinion of our and/or our Affiliate's attorneys, may be necessary or advisable to protect and maintain our interest in any litigation, PTO proceeding, ICANN Uniform Domain Name Dispute Resolution Policy proceeding or other administrative proceeding or to otherwise protect and maintain our and our Affiliate's interest in the Marks.

Neither we nor our Affiliate are required to protect your use of the Marks or to defend you against a claim against your use of the Marks, although we have the right to defend the claim if we or our Affiliate choose to do so.

If it becomes advisable at any time, in our or our Affiliate's sole discretion, for us and/or you to modify or discontinue use of any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice from us at your expense.

We do not know of any existing or possible superior prior rights or infringing uses that could materially affect your use of the Marks in your state.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not hold any patents material to the franchise.

We and our Affiliate claim copyrights in the curriculum, the Operations Manual and other written materials containing confidential and proprietary information.

You must immediately notify us in writing of any apparent infringement or challenge to our

or your use of the copyrighted items, including derivative works. We or our Affiliate will take the action we think is appropriate. You must assist us and/or our Affiliate in any proceedings or suits to protect the copyrighted items as is necessary.

If you, your Owners, managers or employees develop any ideas, concepts, methods, techniques or improvements relating to your Franchised Business, you agree to disclose that information to us and all of that information will become part of our or our Affiliate's confidential information. You must also assure that all corresponding intellectual property rights are assigned to us and/or our Affiliate.

You may not disclose our confidential information or use our confidential information in any unauthorized manner. Confidential Information (as described in the Franchise Agreement) includes (i) methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the development, operation, and franchising of the School; (2) methods, procedures, guidelines and curriculum for applying the Montessori teaching method in the programs, classes, camps, and other activities offered by the School; (3) sources of supply, purchasing, and methods of providing the services and products sold by the School; (4) knowledge of test programs, concepts or results relating to new teaching methods, services and products; (5) advertising, marketing and promotional programs; (6) equipping of the School; (8) the training of School managers and other employees; (9) the contents of the Manual or other written materials provided to franchisees; (10) any customized software or proprietary software developed by or for Franchisor for the System; and (11) all customer information, lists, data and records. You must take reasonable steps to prevent disclosure of our confidential information to others, including having your managers and employees sign a confidentiality agreement. All of your managers and other employees who have access to the confidential information must maintain the confidentiality of that information and sign a confidentiality agreement in a form approved by us. Upon our request, you must provide us with copies of the signed confidentiality agreements.

There are currently no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials.

We derive the right to use and license the use of the Confidential Information developed by our Affiliate under a System License Agreement dated November 1, 2024 ("License Agreement") with our Affiliate. The License Agreement between us and Our Affiliate permits us to license to our franchisees in the United States the use of the Angus Valley Montessori System. The term of the License Agreement is 5 years, with automatic renewals of 5 years each unless the Affiliate issues a written notice of termination based on our breach of the License Agreement. Upon termination of our License Agreement, you would be required to immediately cease using the Marks. There are no other agreements currently in effect which significantly limit our right to use or license the use of any copyrighted materials.

There are no infringing uses actually known to us which could materially affect a franchisee's use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights, trade secrets or confidential information, although we intend to take whatever action, we deem necessary to protect the best interests of the franchised system.

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

You shall designate and retain at all times a Director to devote full time and best efforts to supervising and managing the operation of the School. The Director shall be qualified and approved under applicable laws, rules and regulations, including the governmental authority issuing licenses or permit for operation of the School, and must not have a history of non-compliance while working with other schools or daycares. Unless you own and operate multiple Schools or unless we provide our consent to the contrary, you (or one of your owners, if you are a corporate entity) shall be the Director for your School. The Director shall be responsible for the daily operation of the School.

Any proposed Director who is not an owner must be approved by us, must complete our initial training program to our satisfaction, and as required obtain any necessary governmental approvals. If a non-owner Director fails to complete the initial training program to ours satisfaction, you must hire a different Director and send such replacement Director to the initial training program.

If, during the term of the Franchise Agreement, the Director is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with the Franchise Agreement, you shall promptly notify us and designate a replacement approved by us within 10 days after the Director ceases to serve. You shall provide for interim management of the Franchised Business until such replacement is designated and completes the initial training program. You must obtain any necessary governmental approvals for the interim period and the new Director.

If the Director is not an owner, you must have them sign and deliver to us a confidentiality and non-disclosure agreements in a form approved by us.

Each of your Owners must personally guarantee your obligations under the Franchise Agreement. The Guaranty is an exhibit to the Franchise Agreement.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale the services and products that we authorize for sale by Angus Valley Montessori businesses and must offer them only in the manner we have prescribed. You may not offer for sale or sell any services or products that we have not authorized unless you obtain our prior written approval. We have the right to change (either add or delete) the types of required and/or authorized services and products at any time and there are no limits on our right to do so. You may not use the premises of the Franchised Business for any purpose other than the operation of the Franchised Business.

You must not, without the prior written consent of the Franchisor, solicit customers outside of the Territory (including through internet, telephone or other forms of distance sales). You may

service customers who are located outside of the Territory if the business is received without solicitation by you and the customers are serviced by you at the Premises.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE AGREEMENT OR DEPOSIT AGREEMENT AS NOTED	SUMMARY
a. Length of the franchise term	Section 2.5 Deposit Agreement, Par. 9	Term is for 10 years from date of signing the franchise agreement. Deposit Agreement term is 6 months from the signing of the Deposit Agreement.
b. Renewal or extension of the term	Section 2.6 Deposit Agreement, Par. 9	If you are in compliance with the franchise agreement and meet all conditions, you can acquire 1 additional 5-year renewal term. The Deposit Agreement can only be extended by agreement of you and us.
c. Requirements for franchisee to renew or extend	Section 2.6	Compliance with Franchise Agreement during its term, give notice, maintain possession of the leased premises, pay renewal franchise fee, sign new franchise agreement or extension of existing agreement (at our option), you and your Owners sign release, accept any revised Minimum Enrollment Requirements, and upgrade premises. The renewal franchise agreement you sign may contain materially different terms and conditions than your original franchise agreement.
d. Termination by franchisee	Not applicable Deposit Agreement, Par. 9	Not applicable You can terminate the Deposit Agreement at any time.

PROVISION	SECTION IN FRANCHISE AGREEMENT OR DEPOSIT AGREEMENT AS NOTED	SUMMARY
e. Termination by franchisor without cause	Not applicable Deposit Agreement, Par. 9	Not applicable We can terminate the Deposit Agreement any time.
f. Termination by franchisor with cause	Sections 15.1 and 15.2	We can terminate only for cause.
g. "Cause" defined – curable defaults	Section 15.1 and 15.2	You have 7 days to cure defaults in payment or reporting, 10 days to cure noncompliance with the franchise agreement or manual, 48 hours to cure a threat or danger to public health or safety, 21 days to cure judgements in excess of $5,000 or liens, the cure period provided in any other franchise agreement you have with us if you are in default under that other franchise agreement.

PROVISION	SECTION IN FRANCHISE AGREEMENT OR DEPOSIT AGREEMENT AS NOTED	SUMMARY
h. "Cause" defined – non-curable defaults	Section 8.1, 15.1 and 17.2	Failure to secure a site, using an unapproved location, failure to open Franchised Business within the time required, failure to satisfactorily compete training, inability to obtain all permits or licenses for operation of the school, termination of any permit or license or failure to meet applicable laws, rules or regulations for operation of school, abandonment or failure to operate for 5 or more consecutive days, made material misrepresentation or omission in application or any report, conviction of a criminal offense or engage in immoral, dishonest, or abusive conduct, failure to comply with agreements entered into pursuant to the franchise agreement, termination or expiration of lease, use of the Premises by an unauthorized party, bankruptcy, insolvency, receivership proceedings or initiating proceedings to wind-up or dissolve the business, unauthorized transfers, unauthorized disclosure or use of Confidential Information or Marks, having interest in competing business, failure to meet Minimum Enrollment Requirements in any given year, 2 or more defaults in any 12 month period, or not selling to authorized transferee within 12 months of death or disability.
i. Your obligations on termination/ non-renewal	Section 16	Cease operating, pay outstanding amounts, cease using Marks, return items containing Marks, deliver all files and records to franchisor and destroy any copies, transfer telephone number and digital media accounts to us, return of Manual and other confidential information, assignment of lease or execution of such documents required for franchisor to take possession of and operate the business (at our option), de-identify the premises of the Franchised Business (at our option), pay us liquidated damages if terminated for cause, comply with covenants not to compete, and sell business assets to us

PROVISION	SECTION IN FRANCHISE AGREEMENT OR DEPOSIT AGREEMENT AS NOTED	SUMMARY
		(at our option) (see also o. and r. below)
j. Assignment of contract by franchisor.	Section 17.7	No restriction on our right to assign.
k. "Transfer" by franchisee – definition	Section 1.1	v. "Transfer" means any sale, transfer, assignment, pledge, mortgage, encumbrance or other conveyance, whether by operation of law or otherwise, of all or any part of the interest of the Franchisee, in this Agreement or the assets of the Business.
l. Franchisor approval of transfer by franchisee	Sections 17.1	We must approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 17.4	You have complied with Franchise Agreement during the term, all amounts due us and our affiliates are paid, transferee must have met with franchisor to ensure compatibility, business acumen and that transferee and immediate family do not have ownership interest in a competing business, transferee entity and owners qualify and complete training, lessor consents to lease assignment, transferee assumes your agreement or signs new franchise agreement and any guarantees (at our option), transfer fee paid, general release signed by you and your Owners, we approve terms of transfer and you subordinate buyer's debt to you to our interest in Franchised Business, and you or transferee upgrade or remodel the premises and equipment of the Franchised Business (see also r below).
n. Franchisor's right of first refusal to acquire franchisee's business	Section 17.4(b)	We can match any offer for your business or an ownership interest in you.
o. Franchisor's option to purchase franchisee's business	Section 16.1	We may within 60 days of termination or expiration purchase certain assets of your Franchised Business at lesser of cost or fair market value.

PROVISION	SECTION IN FRANCHISE AGREEMENT OR DEPOSIT AGREEMENT AS NOTED	SUMMARY
p. Death or disability of franchisee	Section 17.2	Ownership interest of deceased or disabled Owner with ownership interest of 50% or more must be assigned to approved buyer within 12 months or your franchise may be terminated. In the interim, Franchised Business must be operated by a trained manager or manager appointed by us.
q. Non-competition covenants during the term of the franchise	Section 11.1	No involvement in competing business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	Section 11.1	No involvement in a competing business for 2 years within 3 miles of the premises of your Franchised Business or the premises of any other franchised business (same restrictions apply after assignment).
s. Modification of the Agreement	Sections 2.7, 7.1, 18.4, 18.13	Operations Manual and standards and specifications are subject to change. No modifications to the Franchise Agreement except if in writing and signed by Franchisor or if court modifies covenants.
t. Integration/merger clause	Section 18.13 Deposit Agreement, Par. 17	Only terms of the Franchise Agreement (including exhibits, attachments, Operations Manual and other written materials) and representations made in this Disclosure Document are binding. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Not applicable	Not applicable
v. Choice of forum	Section 19.1 Deposit Agreement, Par. 16	Litigation must be a state or federal court of general jurisdiction over the county of our then current principal place of business; subject to state law.

PROVISION	SECTION IN FRANCHISE AGREEMENT OR DEPOSIT AGREEMENT AS NOTED	SUMMARY
w. Choice of law	Section 19.1 Deposit Agreement, Par. 16	Law of the state of Illinois governs, except franchise laws only apply if you meet jurisdictional requirements, subject to state law.

Item 18
PUBLIC FIGURES

We do not use any public figure to promote its 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 financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Murtaza Hasan, 27 Glenbrook Circle, Gilberts, Illinois 60136, 224-629-1399 and the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary*
For calendar years 2024, 2023 and 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Affiliate-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	0	0	0
	2023	0	0	0
	2024	0	0	0

*We are offering franchises for the first time under this Franchise Disclosure Document, so we do not have any franchises as of the date of this Franchise Disclosure Document.

Our affiliate Angus Valley Montessori Schools, Inc. in Ontario, Canada has 7 Angus Valley Montessori franchised schools operating in Ontario as of the date of this Disclosure Document.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)*
For calendar years 2024, 2023 and 2022

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

* We are offering franchises for the first time under this Franchise Disclosure Document, so we do not have any franchisees as of the date of this Franchise Disclosure Document.

Table No. 3
Status of Franchised Outlets*
For calendar years 2024, 2023 and 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Total	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

* We are offering franchises for the first time under this Franchise Disclosure Document, so we do not have any franchisees as of the date of this Franchise Disclosure Document.

Table No. 4
Status of Affiliate-Owned Outlets*
For calendar years 2024, 2023 and 2022

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Totals	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

An affiliate of ours operates one Angus Valley Montessori school in Ontario that is similar to the business that you will operate.

Table No. 5

PROJECTED OPENINGS as of January 1, 2025			
STATE	**FRANCHISE AGREEMENTS SIGNED BUT UNIT NOT OPEN**	**PROJECTED FRANCHISED NEW UNITS IN THE NEXT FISCAL YEAR**	**PROJECTED OPENINGS BY US OR OUR AFFILIATE IN NEXT FISCAL YEAR**
Illinois	0	1	0
TOTAL	0	1	0

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the system.

There are currently no current or former franchisees who have signed agreements restricting their ability to speak openly about their experience with us.

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

Item 21
FINANCIAL STATEMENTS

Attached at Exhibit D is our balance sheet as of December 31, 2024 and the related statements of operations, members equity and cash flows for the year ended December 31, 2024. The statements have been compiled and are not audited.

Since we did not begin operations until 2024, we cannot provide 3 years of audited financial statements.

Item 22
CONTRACTS

The Deposit Agreement that you may sign is attached at Exhibit B to this Disclosure Document.

The Franchise Agreement that you will sign is attached at Exhibit C to this Disclosure Document. If your state requires an addendum to the Franchise Agreement describing certain state laws or regulations which may supersede the Franchise Agreement, it will be found at Exhibit G.

Although we typically don't offer this option, we may on occasion based on the particular circumstances enter into the lease for the premises and sublease the premises to you. You will be required to sign a sublease with us; however, we cannot provide you with a sample of the sublease since the form of sublease will be dependent upon the lease we must sign with the landlord.

Item 23
RECEIPTS

The Receipts of the Disclosure Document (one copy for you and one copy for us) are found at the end of the exhibits to this Disclosure Document.

Exhibit A

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

California

Commissioner
California Department of Business Oversight
320 West Fourth Street
Los Angeles, CA 90013-2344
(866) 275-2677

For service of process:
California Commissioner of
Department of Business Oversight
320 West Fourth Street
Los Angeles, CA 90013-2344

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and
Consumer Affairs
335 Merchant Street, Room 203
Honolulu, HI 96813
(808)586-2722

For service of process:

Hawaii Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217)782-4465

For service of process:

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana

Securities Commissioner
State of Indiana
Securities Division
302 W. Washington Street, Room E-111
Indianapolis, IN 46204
(317)232-6681

For service of process:

Secretary of State
201 State House
Indianapolis, IN 46204

Maryland

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410)576-6360

For service of process:

Maryland Securities Commissioner
Securities Division
200 St. Paul Place
Baltimore, MD 21202

Michigan

Consumer Protection Division
Franchise Section
Michigan Department of Attorney General
G. Mennen Williams Building, 1st Floor
Lansing, MI 48913
(517)373-7117

For service of process:

Michigan Department of Commerce
Corporations and Securities Bureau
525 W. Ottawa Street
G. Mennen Williams Building
Lansing, MI 48913

Minnesota

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101
(651)539-1638

For service of process:

Minnesota Commissioner of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101

New York

New York State Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10271
(212)416-8222

For service of process:

New York Department of State
One Commerce Plaza, 6th Floor
99 Washington Street
Albany, NY 12231

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor, Dept. 414
Bismarck, ND 58505-0510
(701)328-4712

For service of process:

North Dakota Securities Commissioner
600 East Boulevard Avenue
State Capitol – 5th Floor, Dept. 414
Bismarck, ND 58505-0510

Rhode Island

Principal Securities Examiner
Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Bldg. 69-1
Cranston, RI 02920
(401)222-3048

For service of process:

Director of Rhode Island Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Bldg. 69-1
Cranston, RI 02920

South Dakota

Director
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, SD 57501
(605)773-3652

For service of process:
Director
Department of Labor and Regulation
South Dakota Division of Insurance
124 South Euclid, Suite 104
Pierre, SD 57501

Virginia

Director, Division of Securities
and Retail Franchising
State Corporation Commission
1300 E. Main Street, 9th Floor
Richmond, VA 23219
(804)371-9051

For service of process:

Clerk of the State
Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

Washington

Administrator
Dept. of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501
(360)902-8760

For service of process:

Director
Washington Dept. of Financial
Institutions, Securities Division
150 Israel Road SW
Tumwater, WA 98501

Wisconsin

Franchise Administrator
Division of Securities
Department of Financial Institutions
201 W. Washington, Suite 300
Madison, WI 53703
(608)267-9140

For service of process:

Wisconsin Commissioner of Securities
201 W. Washington, Suite 300
Madison, WI 53703

Exhibit B

DEPOSIT AGREEMENT

DEPOSIT AGREEMENT

THIS DEPOSIT AGREEMENT is made and entered into by and between Angus Valley Montessori Schools USA LLC, a Delaware corporation, (hereinafter referred to as "Franchisor") and _____ (hereinafter referred to as "PROSPECTIVE FRANCHISEE"), and the following individual owners of PROSPECTIVE FRANCHISEE if any entity: _____ ("Owners").

RECITALS

A. FRANCHISOR has experience, special skills, methods, techniques, and know-how, and has developed a system providing for the design, marketing and operation of Montessori schools under the Mark "Angus Valley Montessori" and related trademarks and service marks;

B. FRANCHISOR grants franchises to franchisees the use of its System and Marks for the operation of Montessori schools at locations approved by FRANCHISOR;

C. PROSPECTIVE FRANCHISEE has submitted to FRANCHISOR an application for an Angus Valley Montessori Franchise;

D. PROSPECTIVE FRANCHISEE has received and reviewed FRANCHISOR's Franchise Disclosure Document; and

E. FRANCHISOR shall consider, subject to the terms and conditions hereof, granting an Angus Valley Montessori Franchise to PROSPECTIVE FRANCHISEE. The parties acknowledge and agree that this Agreement is not for the grant of a franchise.

THEREFORE, the parties agree as follows:

1. PROSPECTIVE FRANCHISEE has, contemporaneously with the execution of this Deposit Agreement, deposited with FRANCHISOR the sum of Ten Thousand ($10,000.00) Dollars ("Deposit") to be applied against the initial franchise fee payable by PROSPECTIVE FRANCHISEE if an Angus Valley Montessori Franchise shall subsequently be granted.

2. Once this Agreement has been signed by the parties, FRANCHISOR shall conduct a background search on PROSPECTIVE FRANCHISEE, including all individual owners if PROSPECTIVE FRANCHISEE if an entity ("Owners"). PROSPECTIVE FRANCHISEE and Owners shall promptly execute such documents as are necessary in order to authorize FRANCHISOR to conduct all necessary background searches, including but not limited to financial, criminal, and/or litigation history. In the event that FRANCHISOR reasonably determines that the results of the background search on PROSPECTIVE FRANCHISEE and/or any Owner are unacceptable for the ownership of an Angus Valley Montessori franchise, FRANCHISOR shall terminate this Agreement upon delivery of written notice to PROSPECTIVE FRANCHISEE and

PROSPECTIVE FRANCHISEE shall not be entitled any refund of the Deposit.

3. Upon execution of this Agreement, FRANCHISOR will furnish PROSPECTIVE FRANCHISEE its written site selection guidelines, which must be returned to FRANCHISOR upon termination of this Agreement. PROSPECTIVE FRANCHISEE shall diligently search for, locate, and submit in writing to FRANCHISOR for approval, one or more sites (along with information on the site required by FRANCHISOR) for the operation of an Angus Valley Montessori School acceptable to FRANCHISOR within the following general area: _____ (the "Area"). The Area is not exclusive or protected either during the term of this Agreement or in the event a franchise is granted. FRANCHISOR has the right to offer and grant a franchise to any other party within the Area during the term of this Agreement.

4. FRANCHISOR has the right to approve or withhold approval of any site, based on its then-current criteria for approval of sites for Angus Valley Montessori Schools, including criteria related to location, lease terms and/or condition or configuration of the building.

5. PROSPECTIVE FRANCHISEE acknowledges and agrees that FRANCHISOR's approval of the premises for the Angus Valley Montessori School and any information communicated to PROSPECTIVE FRANCHISEE regarding the premises for the Angus Valley Montessori School do not constitute a representation or warranty of any kind, expressed or implied, as to the suitability of the premises for an Angus Valley Montessori School or for any other purpose. FRANCHISOR's approval of the premises indicates only that FRANCHISOR believes that the premises fall within the acceptable criteria established by FRANCHISOR as of the time period encompassing the evaluation. Both PROSPECTIVE FRANCHISEE and FRANCHISOR acknowledge that application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and premises and that, subsequent to FRANCHISOR's approval of a site and premises, demographic and/or economic factors, including competition from other businesses, included in or excluded from FRANCHISOR's criteria could change, thereby altering the potential of a site and premises. The uncertainty and instability of such criteria are beyond FRANCHISOR's control and PROSPECTIVE FRANCHISEE agrees that FRANCHISOR shall not be responsible for the failure of a site and premises approved by FRANCHISOR to meet PROSPECTIVE FRANCHISEE's expectations as to potential revenue or operational criteria. PROSPECTIVE FRANCHISEE further acknowledges and agrees that PROSPECTIVE FRANCHISEE’s acceptance of a Franchise for the operation of an Angus Valley Montessori School at the premises is based on his own independent investigation of the suitability of the premises.

6. FRANCHISOR agrees to expend such time and effort and to incur such expense as may reasonably be required to determine whether sites proposed by PROSPECTIVE FRANCHISEE for the operation of an Angus Valley Montessori School are acceptable. If FRANCHISOR chooses to conduct an on-site evaluation of a site proposed by PROSPECTIVE FRANCHISEE, the first such evaluation will be at its expense. Thereafter, PROSPECTIVE FRANCHISEE shall be responsible for FRANCHISOR’s reasonable expenses incurred in each subsequent on-site

evaluation which PROSPECTIVE FRANCHISEE shall pay on demand. PROSPECTIVE FRANCHISEE shall not be entitled to payment of any refund until all reimbursements required under this Paragraph 6 have been paid.

7. Once a site submitted to FRANCHISOR is approved, FRANCHISOR may deliver to PROSPECTIVE FRANCHISEE a Franchise Agreement for execution identifying the approved site. In the event PROSPECTIVE FRANCHISEE fails to execute FRANCHISOR's Franchise Agreement within fourteen (14) days from the date of delivery of the Franchise Agreement, FRANCHISOR may, at its sole option, terminate this Deposit Agreement, in which event PROSPECTIVE FRANCHISEE shall not be entitled to any refund of the Deposit. FRANCHISOR's approval of a site submitted by PROSPECTIVE FRANCHISEE does not obligate FRANCHISOR to deliver to a Franchise Agreement to PROSPECTIVE FRANCHISEE or to grant a franchise to PROSPECTIVE FRANCHISEE.

8. Nothing herein shall prohibit FRANCHSOR and PROSPECTIVE FRANCHISEE from entering into a Franchise Agreement prior to the execution of this Agreement. In such event, this Agreement shall automatically terminate and the Deposit shall be applied to payment of the initial franchise fee under the Franchise Agreement.

9. The term of this Agreement shall run for one hundred eighty (180) days from its execution. The term may be extended only by written agreement executed by both parties. The parties may terminate this Agreement prior to its expiration as provided in this Section 8.

a. PROSPECTIVE FRANCHISEE may terminate this Deposit Agreement by a written notice of termination delivered to FRANCHISOR. If such termination is prior to the background check and prior to the submission by PROSPECTIVE FRANCHISEE of any proposed site, FRANCHISOR shall refund the DEPOSIT in full. If the termination is after the background check and/or submission to FRANCHISOR of one or more sites, FRANCHISOR shall refund PROSPECTIVE FRANCHISEE's Deposit less Five Thousand ($5,000.00) Dollars upon PROSPECTIVE FRANCHISEE'S execution of a release and other necessary documents regarding termination of this Agreement.

b. FRANCHISOR may terminate this Deposit Agreement at any time with or without cause by a written notice of termination delivered to PROSPECTIVE FRANCHISEE. If the termination is (i) based on negative results of background searches, or (ii) due to PROSPECTIVE FRANCHISEE's failure to conduct site selection activities and failure to submit any proposed sites during the term of this Agreement, no refund of the Deposit will be made. If the termination is prior to the background check and prior to the submission by PROSPECTIVE FRANCHISEE of any proposed site, FRANCHISOR shall refund the DEPOSIT in full. If the termination is after the background check and/or submission to FRANCHISOR of one or more sites, FRANCHISOR shall refund PROSPECTIVE FRANCHISEE's Deposit less Five Thousand ($5,000.00) upon PROSPECTIVE FRANCHISE's execution of a release and other necessary documents regarding termination of this Agreement.

10. Any refund of any portion of the Deposit to be provided to PROSPECTIVE FRANCHISEE hereunder is conditioned on PROSPECTIVE FRANCHISEE returning to FRANCHISOR any written site selection guidelines or any other material containing FRANCHISOR's confidential information delivered to PROSPECTIVE FRANCHISEE by FRANCHISOR. Any refund of any portion of the Deposit is also conditioned upon PROSPECTIVE FRANCHISEE's and any owners executing a general release in FRANCHISOR's favor in a form acceptable to FRANCHISOR.

11. PROSPECTIVE FRANCHISEE shall immediately notify FRANCHISOR of any material change in the information contained in the franchise application since the application was submitted to FRANCHISOR, including but not limited to changes in financial condition, bankruptcy or litigation history, criminal history, death or incapacity of any Owner, the removal or addition of any Owners, and changes in contact information. Any such change may require that additional information be provided to FRANCHISOR and/or updated financial statements being submitted and/or that additional background checks be conducted before FRANCHISOR will consider the grant of a franchise.

12. During the term of this Agreement, FRANCHISOR may deliver to PROSPECTIVE FRANCHISEE certain confidential and proprietary information belonging to FRANCHISOR, including but not limited to site selection criteria and information on design and layout of an Angus Valley Montessori School ("Confidential Information"). PROSPECTIVE FRANCHISEE, and its owners, as applicable, acknowledge and agree that such Confidential Information belongs to FRANCHISOR, is proprietary and may contain trade secrets, and is only disclosed to PROSPECTIVE FRANCHISEE for the purpose of locating a site that is acceptable for the operation of an Angus Valley Montessori School or other investigation of the franchise before entering into a franchise agreement. PROSPECTIVE FRANCHISEE and its owners therefore agree, that PROSPECTIVE FRANCHISEE and its owners: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed; and (4) will adopt and implement all reasonable procedures to prevent unauthorized use or disclosure of the Confidential Information. The restrictions herein on disclosure and use of the Confidential Information will not apply to the following: (a) information, processes, or techniques which are generally known and used in the public domain (as long as the availability of this information is not because of a disclosure, whether deliberate or inadvertent, by PROSPECTIVE FRANCHISEE or its owners) and (b) disclosure of the Confidential Information in legal proceedings when PROSPECTIVEE FRANCHSIEE is legally required to disclose it and PROSPECTIVE FRANCHISEE has first given FRANCHISOR the opportunity to obtain an appropriate legal protective order or other assurance satisfactory to it that the information required to be disclosed will be treated confidentially. PROSPECTIVE FRANCHISEE shall return all Confidential Information received by it upon demand by FRANCHISOR.

13. PROSPECTIVE FRANCHISEE's rights under this Deposit Agreement are personal in nature and are not transferable by assignment, will or operation of law.

14. NOTICES. All notices permitted or required under this Agreement must be in writing at the addresses below. Email transmissions are considered written notice, provided that the sender confirms transmission of said email. "Confirming transmission" is accomplished by the sender printing a paper copy showing that the document was sent via email, and upon request by the recipient, furnishing said paper copy to the recipient. Verbal, oral, or in-person communications are not considered effective notice, unless the sender follows up on said communications in writing. Notices shall be deemed delivered (a) at the time if delivered in person; (b) the day of transmission if by email, provided that the transmission is done on a business day during the hours of 8:00 a.m. and 5:00 p.m. Chicago time; otherwise, delivery is the next business day; (c) one (1) business day after being placed in the hands of a commercial courier service for overnight delivery; or (d) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the parties as referenced above.

To the FRANCHISOR at:
27 Glenbrook Circle
Gilberts, IL 60136
Attention: Murtaza Hasan
Email: murtaza@avmsfranchiseusa.com

To the PROSPECTIVE FRANCHISEE at:
_____
_____
Attention: _____
Email: _____

15. The preambles set forth above are incorporated herein by reference.

16. DISPUTE RESOLUTION.

a. All disputes, controversies or claims arising out of or relating to this Agreement, shall be submitted for arbitration to the American Arbitration Association on demand of either party. The demand shall be submitted to, and the arbitration proceedings shall be conducted in the major city nearest where Franchisor's principal business address is then located, and shall be heard by one arbitrator in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association. All matters within the scope of the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) shall be governed by it. This provision shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

b. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et sea.) or any other applicable federal

law, this Agreement will be governed by the laws of the state of Illinois, except that the provisions of any franchise law of such state shall not apply unless the jurisdictional requirements of said law have been met independently of this provision.

c. If a claim is asserted in any legal proceeding before an arbitrator or court of competent jurisdiction, or if any party is required to enforce this Agreement in an arbitration pr judicial proceeding, the party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees.

17. This Agreement constitutes the enter agreement of the parties hereto, and all prior negotiations, commitments, representations, warranties and undertakings made prior thereto (whether oral or written) are merged herein. There are no other inducements, representations, warranties, undertakings, agreements or promises, oral or otherwise, between the parties relating to thesubject matter hereof. No subsequent amendment, change or addition to this Agreement shall be binding upon the parties hereto unless same shall be in writing andsigned by the parties.

18. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by electronic means, including by DocuSign, shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted electronically shall be deemed to be their original signatures for all purposes.

IN WITNESS WHEREOF the parties hereto have duly executed this Deposit Agreement on the dates below each signature.

FRANCHISOR:
ANGUS VALLEY
MONTESSORISCHOOLS
USA LLC

By: _____
Name: _____
Title: _____

Date: _____

PROSPECTIVE FRANCHISEE:

_____

By: _____
Name:_____
Title:_____

Date:_____

IF PROSPECTIVE FRANCHISEE IS NOT AN ENTITY, SIGN BELOW.

OWNERS:

_____
Individual Name: _____

_____
Individual name: _____

Exhibit C

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

learn. grow. achieve.

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FRANCHISE AGREEMENT

THIS AGREEMENT is being entered into by and between you, _____, a _____ organized under the laws of _____, referred to herein as "Franchisee" or "You", and Angus Valley Montessori Schools USA LLC, a Delaware limited liability company, referred to herein as "Franchisor," "we" and "us."

WHEREAS the Franchisor has experience, special skills, methods, techniques, and know-how, and has developed a system providing for the design, marketing and operation of Montessori schools under the Trademarks (as defined below);

AND WHEREAS the Franchisee is aware of the foregoing and wishes to obtain from the Franchisor the right to use the system, and in association therewith, the right to use the Trademarks, subject to the terms and conditions contained in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSED that for good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged by each of them, the parties hereto agree as follows:

SECTION 1 - DEFINITIONS

1.1. Where used herein or in any schedules or amendments hereto, the following terms shallhave the following meanings respectively:

a. "**Affiliate**" means an entity controlling, controlled by or having common control with another entity;

b. "**Background Checks**" means compiling criminal records, commercial records, and financial records of an individual or an organization.

c. "**Confidential Information**" shall have the meaning set out in Section 7.2 hereof.

d. "**Design Firms**" means a firm providing architectural, engineering, contractor and exterior and interior design services.

e. "**Franchised Business**" means the business conducted by the Franchisee at the Premises, usingthe Franchisor's System and in association therewith, the Trademarks.

f. "**Franchisor's System**" or the "System" means the comprehensive systems for operation of the School, including, without limiting the generality of the foregoing, the uniform standards, methods, procedures, techniques and specifications, including Confidential Information, developed and/or used by the Franchisor, or which may hereafter be

developed and/or used, modified, withdrawn or otherwise revised by the Franchisor, in its sole discretion,for the operation of private Montessori schools in programs for students between 6 months and 12 years of age and additional programs, including extra-curricular activities, homework assistance, fitness and yoga classes, programs in arts, foreign language lessons, weekend programs, cooking classes, martial arts programs, art classes, robotics programs, STEM programs and summer, winter and spring break camps for children between 6 months to 12 years of age and further includes without limiting the generality of the foregoing:

i. the distinguishing and unique characteristics relating to the basic design, construction, appearance and color scheme of the interior and exterior of the Premises, and the substantially standardized uniforms for use by the students all of which are identified with the Trademarks;

ii. the Curriculum developed by us and to be used at the School;

iii. the menu and proprietary recipes used in preparation of foods provided bythe Franchisee to students, which are procured from the Franchisor or vendors approved by the Franchisor;

iv. the layout, design and selection of the School;

v. the standards of service to be used in the operation of the Business.

g. "**Gross Revenue**" means the total amount of all sales and other income whatsoever,from whatever source (whether it be of a retail, wholesale or other nature), derivedfrom conducting the Business, whether or not such amounts are collected and whether payment is made by way of cash, credit or otherwise.

Without limiting the generality of the foregoing, Gross Revenue shall include:

i. the amount of all sales assumed to have been lost by the interruption of thebusiness and which is the basis upon which an insurer has or will pay business interruption insurance; and

ii. all sales made in any part of the Premises in which the Business is located;

iii. The following shall not be included in calculating Gross Revenue:

1. the amount of any tax imposed by any federal, state, municipal or other governmental authority on sales and collected from customers, provided that the amount of any such tax is shown separately and in fact paid by the

Franchisee to the appropriate governmental authority; and

2. in calculating Gross Revenue, the following shall be deductedtherefrom:

    a. the amount of any cash or credit refunded to a customer, for which the Franchisee has not been reimbursed, on account of the return of any Services, provided that the amount refunded with respect to such Services was originally included in calculating Gross Revenue; and

    b. an amount equal to the value of any discount given to a customer, for which the Franchisee has not been reimbursed, on account of the purchase of any Services through the use of coupons or other similar type promotions approved by the Franchisor, provided the sale upon which the discount is given was recorded at full value in calculating Gross Revenue.

3. No allowance whatsoever shall be made for bad debts. Each sale of Services made upon instalment or credit shall be treated as a sale atthe full price at the time such Services are delivered and/or provided,irrespective of the time when the Franchisee shall receive payment therefore.

h. "**Improvements**" means all leasehold improvements, additions, alterations, signs, fixtures, equipment, furniture and all other assets (including without limitation all design and other plans and specifications), required under the Franchisor's System in order to design, construct, equip, fixture and otherwise complete the Premises so as to allow the Franchisee to carry on the Business.

i. "**Landlord**" means the Person, Persons, or Organization from whom the right to occupy the Premises has been obtained.

j. "**Lease**" means the offer to lease and/or lease agreement or agreements (whether oral or written) under which the right to occupy the Premises has been obtained from the Landlord and any amendments made to any of the foregoing from time totime. Any use of the term "Lease" shall include any sublease for the Premises entered into between Franchisor and Franchisee.

k. **Manual**" means the information sheets, directives, notices, video or audio tapes, computer data and media or other written or electronic communications, and documents prepared by or on behalf of the Franchisor and given to the Franchisee from time to time, to assist the Franchisee in

operating the Business. For the purposes hereof, all of the foregoing shall collectively be deemed to make up the Manual.

l. "**Minimum Enrollment Requirements**" shall mean the following enrollment amounts for each of the corresponding years as follows:

BUSINESS OPERATION	STUDENTS
Year 1	65
Year 2	85
Year 3	110
Year 4	130
Year 5	130

m. "**Owner**" means the individual(s) or entity that directly or indirectly own the shares or ownership interest in the Franchisee which is an entity.

n. "**Person**" or "**Persons**" includes any and all individual or individuals (whether male or female), partnership or partnerships, corporation or corporations, limited liability company or companies, or other entity or entities.

o. "**Premises**" means the outlet from which the Franchisee carries on or is to carry onthe Business and which is at the location described in section 2.2.

p. "**School**" means a school operated in accordance with the Franchisor's System and utilizing the Trademarks in association therewith and "**the School**" means a School operated by the Franchisee.

q. "**Service**" or "**Services**" means all of the services, products, goods, merchandise, supplies and other items sold, handled or otherwise dealt in (whether same are sold,handled or otherwise dealt in either in the sale and marketing of various products and other products developed by the Franchisor, and the operation of a School), andall other services provided or performed in respect of the Business.

r. "**Director**" shall have the meaning set out in Section 6.2 hereof.

s. "**Term**" means the period of time referred to in Section 2.5 hereof.

t. "**Territory**" means that as described in Schedule "A" hereto.

u. "**Trademarks**" means: "Angus Valley Montessori" and/or such other trademarks, services marks, trade names and/or designs which may be used in association with the Franchisor's System and which the Franchisee is granted the right to use by the Franchisor from time to time, including without limitation any variations of same, either alone or incombination or

association with names, characters, symbols, insignias, logos, slogans, signs, emblems or otherwise.

v. "**Transfer**" means any sale, transfer, assignment, pledge, mortgage, encumbrance or other conveyance, whether by operation of law or otherwise, of all or any part of the interest of the Franchisee, in this Agreement or the assets of the Business.

SECTION 2 - GRANT, TERM AND RENEWAL

2.1. **Grant** - Subject to the provisions of this Agreement, the Franchisor hereby grants to the Franchisee for the Term and any renewal thereof (in accordance with this Agreement), the right to use the Franchisor's System in the Premises, and in association therewith, the rightand license to use the Trademarks.

The Franchisee is not permitted to carry on any business from the Premises other than the Franchised Business and will not pursue sales, other than School or permitted retail sales therefrom without the prior written consent of the Franchisor.

2.2. **Accepted Location** - The specific street address of the School location accepted by us shallbe set forth in Schedule "A" ("Location" or "Accepted Location") or shall be the locationthat is mutually agreed to by the parties subsequent to the execution of this Agreement. This Agreement does not grant to you the right or license to operate the School or to offeror sell any products or services described under this Agreement at or from any other location.

2.3. **Territory** – So long as Franchisee is not in breach of this Agreement, Franchisor shall refrain from operating or granting to anyone else a franchise to operate a School located within the Territory.

The Franchisee shall not, without the prior written consent of the Franchisor, solicit customers outside of the Territory (including through internet, telephone or other forms ofdistance sales). The Franchisee may service customers who are located outside of the Territory if the business is received without solicitation by the Franchisee and the customeris serviced by the Franchisee at the Premises.

2.4. **Reservation of Rights** - The Franchisee acknowledges and agrees that the Franchisor reserves the following rights:

a. the right to develop, use and license the use of proprietary marks other than the Trademarks, in connection with the operation of a program or system that offers products or services which are the same as or similar to and which may compete with the Business;

b. the right to develop, market, own, operate or participate in any business other than a Franchised Business under the Trademarks or any other trademarks;

c. the right to operate, and to grant others the right to operate a School located anywhere outsidethe Territory under any terms and conditions we deem appropriate and regardless of their proximity to the Premises or the Territory and its actual or threatened impacton sales of the Franchised Business;

d. the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by the Business, and franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the Franchisees or licensees of thesebusinesses) are located or operating;

e. the right to be acquired, (in whole or in part and regardless of the form oftransaction), by a business providing products and services similar to those provided by the Business, or by another business, even if such business operates, franchises and/or licenses a business involved in the offer or sale of the products orservices which are the same as or similar to and which may compete with the Business;

f. the right to distribute, offer, or grant to someone else the right to distribute or offer,the same or similar products and/or services, using the Trademarks or different trademarks, by alternative means delivery or sales, and/or as part of or in combination with other retail establishments; and,

g. the right to establish a website and use social media to promote the Franchisor and/or the Business, which may, in the Franchisor's discretion, include a webpage,owned by the Franchisor, specific to each Angus Valley Montessori Schoolsfranchisee.

Notwithstanding anything to the contrary in this Agreement, the Franchisor expressly reserves (for itself and its designees and assignees) all rights not specifically and expresslygranted to the Franchisee hereunder.

2.5. **Term** – The term of this Agreement (the "**Term**") shall commence on the date hereof, andshall expire, unless terminated earlier pursuant to the provisions herein, on midnight of the day preceding the tenth (10^{th}) anniversary of the date of this Agreement.

2.6. **Renewal** – If throughout the Term, and as described herein, the Franchisee shall have materially complied with all of the terms and conditions of this Agreement and any other agreement entered into between the Franchisor and the Franchisee and shall have compliedwith the operating standards and criteria established for the Business, including, without limitation, the Franchisor's System, the Franchisee shall have the option to renew this Agreement for one (1) renewal term. The renewal term shall commence on the expiration of the previous Term and end on the fifth (5^{th}) anniversary thereof, unless terminated sooner in accordance with the terms and conditions of this Agreement. The renewal shall require payment by

the Franchisee of a renewal fee in the amount of fifty (50%) percent of the Franchisor's then current franchise fee charged to new franchisees which fee shall cover Franchisor's legal fees and other costs and expenses incurred by the Franchisor incident to the exercise of the renewal option herein provided, and shall be subject to the following terms and conditions being complied with in full prior to any such renewal being effective:

a. The Franchisee shall give the Franchisor written notice of its desire to exercise the renewal option herein provided for not less than twelve (12) months and not more than eighteen (18) months prior to the expiry of the term;

b. The Franchisee shall do or cause to be done all such things as the Franchisor may require to ensure that the Franchised Business adheres to the then current image, standards and specifications established by the Franchisor for new franchises in the Franchisor's System whether or not such image, standards or specifications reflect a material change in the Franchisor's System in effect during the previous term.

   Without limiting the generality of the foregoing, the Franchisee shall make such capital expenditures as the Franchisor shall determine as being reasonably required in connection with the foregoing for the modernization and refurbishing of the Premises and all fixtures, furniture, equipment and signs therein or thereon, said capital expenditures likely being of a significant nature;

c. The Franchisee satisfies the Franchisor that it has the right to remain in possession of the Premises for such renewal term;

d. The Franchisee accepts the revised Minimum Enrollment Requirements provided by the Franchisor for the renewal term;

e. The Franchisee shall have paid all amounts owing by it to the Franchisor;

f. The Franchisee is not in default of any provision of any licenses for the Franchised Business carried on at the Premises and is able to renew such licenses as necessary;

g. The Franchisor is able to secure a renewal of the Lease and the Franchisee cooperates and executes all relevant documentation in respect thereof;

h. The Franchisee shall have executed a general release, in the Franchisor's prescribed form, of any and all claims against the Franchisor and its officers, directors, agents and employees; and

i. At the commencement of the renewal term, the Franchisee shall, at the option of the Franchisor, execute a new Franchise Agreement in the form then being used by the Franchisor or shall execute an extension of

Franchisee's current Franchise Agreement. Any new Franchise Agreement may contain terms, including royalty rates and advertising contributions, that are substantially different than contained in this Agreement, andshall execute such other documents and agreements as are then customarily used by the Franchisor in the granting of franchises and licenses.

2.7. **System Changes** - The Franchisee acknowledges that the foundation of the Franchisor's System and the essence of this Agreement is the adherence by the Franchisee to the standards and policies of the Franchisor's System, including but not limited to serving onlydesignated Services, using only prescribed building and equipment layouts and designs, strict adherence to designated Service specifications and to the prescribed standards of quality, service and cleanliness. Further, its conduct of the Business, its accountability for performance of its obligations contained in this Agreement and its adherence to the Franchisor's System also constitute the essence of this Agreement. Accordingly, in accepting the grant referred to above in Section 2.1, the Franchisee agrees that theprovisions of this Agreement shall be interpreted to give effect to the intent referred to above so that the Franchised Business shall be operated in conformity with the standards and policiesof the Franchisor as they now exist or as they may be modified from time to time. The Franchisee agrees to adopt and abide by all such modifications, changes, additions,deletions and alterations at its sole expense.

SECTION 3 - FEES AND PAYMENTS

3.1. **Franchise Fee -** The Franchisee shall pay to the Franchisor upon execution of this Agreement an initial franchise fee in the sum of Eighty Thousand Dollars ($80,000) as consideration for the initial rights granted under this Agreement (the "**Franchise Fee**"). This initial franchise fee shall be deemed to be fully earned upon payment to the Franchisor. Any deposit provided by the Franchisee to the Franchisor prior to the effective date of this Agreement shall be applied to the Franchise Fee upon the execution of this Agreement. The Franchise Fee is not refundable under any circumstances unless Franchisee has not located and secured an acceptable site on which to operate the Franchised Business as set forth in Section 10.8 herein, in which case the Franchise Fee shall be partially refundable as described therein.

3.2. **Initial Training Fee**. Franchisee shall pay an Initial Training Fee in the amount of Ten Thousand Dollars ($10,000.00) when initial training for Franchisee is scheduled (the "**Initial Training Fee**"). The Initial Training Fee will cover two (2) people attending the initial training program. Franchisee shall be responsible for the travel costs incurred by its trainees in attending training. If Franchisee requests that initial training be provided by more than two (2) people before opening or Franchisee subsequently desires to send additional people to initial training, Franchisee shall pay to Franchisor its then-current training fee.

3.3. **Royalty Payments** - In return for the ongoing rights and privileges granted to the Franchisee under this Agreement, the Franchisee shall pay to Franchisor a

continuing royalty fee in at the time and manner determined by the Franchisor (the "**Royalty Fee**"). During the first five (5) years of the term of this Agreement, the Royalty Fee shall be equal to seven percent (7%) of Gross Revenues. At the end of the first five (5) years of the term of this Agreement, the Royalty Fee shall be increased to either eight percent (8%) of Gross Revenue or nine percent (9%) of Gross Revenue as determined by Franchisor.

3.4. **Payment Due Date** - All payments required by this Agreement must be received by the Franchisor by electronic fund transfer or other manner as may be designated by the Franchisor and on the third (3rd) day of each month or on such other day as to be designatedin respect of the preceding period. Any payment not actually received by the Franchisor onor before the designated due date will be considered overdue. Royalty and Brand Development Fund payments shall be due monthly.

3.5. **Electronic Funds Transfer.** Franchisee must make the monthly payments for the Royalty Fee and Brand Development Fund contributions and any and all other fees that may be due and payable to us hereunder by either electronic transfer or electronic debiting of Franchisee's business account, or in any other manner that Franchisor may hereinafter designate. Upon the execution of this Agreement, you must execute the electronic funds transfer authorization form attached to this Agreement as Schedule E, and thereafter and shall execute any other documents as may be required from time to time by Franchisor to permit Franchisor to electronically transfer funds or debit Franchisee's account for the purpose of making the required payments. Franchisee may not make any change in its banking relationships, including any change in the account number of the business account, or any change in banks, without Franchisor's prior written approval and Franchisee's execution of new authorization forms. On or before the date Franchisor specifies, Franchisee must submit to Franchisor in the form and manner Franchisor specifies a statement of all Gross Revenue received in the previous calendar month. Payments of the Royalty fee, Brand Development Fund contributions, and any other fees due for each month will be transferred on the third (3rd) day of each calendar month based on the Gross Revenue for the previous calendar month reported by Franchisee. Franchisee agrees to make the funds available for withdrawal by electronic transfer or debiting before the third (3rd) day of each month. If at any time a withdrawal is made and Franchisee does not have sufficient funds in the account, you must reimburse us for any fees we incur.

If Franchisee fails to submit a report of the Gross Revenues for any calendar month and Franchisor does not otherwise have access to this information, Franchisor may transfer or debit from Franchisee's account an amount which is one hundred twenty percent (120%) of the last amount Franchisor transferred for payment of monthly Royalty Fees, Brand Development Fund contributions, and any other continuing fees. If the amount of the Royalty Fees and Brand Development Fund contributions Franchisor transferred is less than the amount that Franchisee actually owes to Franchisor (once Franchisor have determined the true and correct Gross Revenue for the calendar month), Franchisor will transfer from Franchisee's account the balance of the Royalty Fee, Brand Development Fund contribution, and other fees due. If the

amount transferred from Franchisee's account is greater than the Royalty fees, Brand Development Fund contributions and other fees actually owed, Franchisor will credit the excess against the next transfer for Royalty Fees, Brand Development Fund contributions and other fees due.

3.6. **Interest** - All amounts payable by the Franchisee pursuant to this Agreement shall be paidin U.S. dollars, and shall be paid by way of the pre-authorized provisions as contained herein in Section 3.4 or by cash or certified check. All such amounts shall be paid without demand and therefore without any set-off, abatement or deduction whatsoever. If the Franchisee fails to pay any amounts when required, such unpaid amounts shall bear interest, annually at an amount equal to eighteen (18%) percent per annum, calculated monthly in arrears from the date such payment was payable until repayment.

3.7. **Administrative Fee** - In the event that any payment of any amount due to the Franchisor by the Franchisee is late, dishonored, returned or otherwise not provided as required herein, and without limiting any of the Franchisor's rights under this Agreement, the Franchisor shall be entitled to charge the Franchisee an administrative fee equal to Three Hundred Fifty Dollars ($350) per incidence, which shall be immediately payable to theFranchisor, and accrue interest like any other unpaid amount.

3.8. **Taxes** – Franchisor will have no liability for any sales, use, excise, income, gross receipts, property or other taxes, whether levied against you, the Franchised Business or your assets, or on us, in connection with your operation of the School, or on any payments you make to us pursuant to this Agreement or any franchise agreement, including but not limited to royalty fees (except for our own income taxes). Franchisee may pay when due all taxes of every kind incurred in connection with the operation of the Business.

3.9. **Revenue Streams** – The Franchisee shall not accept clients whose tuition fees are subsidized by a governmental or quasi-governmental organization without the prior writtenconsent by the Franchisor. The Franchisor shall not be obligated to provide further consent to additional similar requests by virtue of the fact that it has provided similar consent in the past.

3.10. **Technology Fee.** Once implemented, Franchisee will pay a technology fee in an amount determined by Franchisor. Franchisor has the right to determine how and for what purposes the technology fees will be used, which may include covering costs of paying fees to third party providers for technology development, maintenance, and usage for the franchise system, and subscription and license fees paid by Franchisor in order for franchisees to have access to and use certain technology tools, and for related research and development conducted by us. This Technology Fee will be payable monthly along with the Royalty Fee as provided in this Section 3 or in any other manner as we designate. Franchisor will give you at least sixty (60) days written notice before implementing increasing or decreasing the Technology Fee.

SECTION 4 – ACCOUNTING AND REPORTING

4.1. Use of Designated Bookkeeping and Accounting System or Service

(a) The Franchisee shall keep such books and records and submit such statements andreports to the Franchisor as are specified in this Agreement or as otherwise may be required by the Franchisor from time to time. Statements and reports shall be in the form and style required by the Franchisor. Without limiting the generality of the foregoing, if required by the Franchisor at any time, the Franchisee shall, at the Franchisee's cost, acquire and use any computerized accounting, reporting, inventory control, bookkeeping or other similar type program or system instituted by the Franchisor as part of the Franchisor's System, and keep its books and recordsand prepare all its statements and reports in accordance with such program or system. All books and records with respect to the Franchised Business shall be kept by the Franchisee for at least seven (7) years following the end of the fiscal year to whichsuch books and records relate and shall be kept at the Premises or at the Franchisee'smain office in the state in which the Premises is located. Franchisee must provide sufficient security, privacy and protection of records and accounting, as approved by the Franchisor. Additionally, and despite the foregoing, the Franchisor may require the Franchisee to engage a stated accounting service at the Franchisee's sole expense.

(b) The Franchisee shall acquire, at its sole expense, and use such point-of-sale equipment and/or software to record sales and other transactions as may be requiredby the Franchisor from time to time.

(c) All receipts from sales or other transactions shall be recorded in the presence of the customer. The Franchisee shall not accept any cash payments by customers.

(d) The Franchisee agrees to cause the fiscal year of the Franchised Business to end on such date as may be determined by the Franchisor from time to time, and if requested by theFranchisor, the Franchisee shall take such steps as may be necessary to change theFranchisee's fiscal year end to that year end as may be required by the Franchisor. Until otherwise advised by the Franchisor in writing, the Franchisee agrees that the fiscal year of the Franchised Business shall end on the 31st day of December of each year.

4.2. Reports - Without limiting the generality of Section 4.1, the Franchisee shall submit to the Franchisor the following statements and/or reports in the Franchisor's prescribed formwith respect to the Business:

(a) together with the royalty fees for the period referred to in Section 3.2, a statement of Gross Revenue setting out the total Gross Revenue for the said period;

(b) within seven (7) days following the end of each month, a statement of profit and loss for such month;

(c) within fourteen (14) days following the end of each quarterly period (as determinedby the Franchisor), a statement of profit and loss and a balance sheet for such quarterly period;

(d) within sixty (60) days of the end of each fiscal year of the Franchisee, a copy of the Franchisee's financial statements for such year prepared on a review engagement basis by an independent chartered accountant and certified by the Franchisee as being true and correct and including without limitation a balance sheet and a statement of profit and loss;

(e) a copy of all financial and other reports and statements required to be provided under the Lease;

(f) upon the Franchisor's written request, copies of all federal and state income and sales tax returns submitted by the Franchisee to the appropriate governmental authorities;

(g) upon any request of the Franchisor, any other reports required to be maintained by all franchisees pursuant to this Section 4 including without limitation completed labor schedules, production reports and inventory forms; and

(h) unless otherwise agreed to by the Franchisor in writing, all statements and reports referred to herein including without limitation the statements referred to in subsections (b), (c), (d) and (g) above, shall be in such form as may be prescribed by the Franchisor from time to time.

If Franchisee fails to furnish to Franchisor any of the required reports or financial statements by the due date set forth herein, Franchisee shall pay a late fee of Fifty Dollars ($50.00) per occurrence ("Late Report Fee"). The Late Report Fee is in addition to monies Franchisee owes for late payments.

4.3. The Franchisee shall produce at the Premises, all or any part of the books, records, statements or reports in respect of the Franchised Business as may be requested by the Franchisor or any representative of the Franchisor, forthwith upon such request, for review by the Franchisor or such representative.

4.4. **Inspection and Audit** - The Franchisor shall have the right to examine all of the Franchisee's books and records with respect to the Franchised Business during regular business hours,and shall have the right to have a person in the Premises to check and verify such books and records; in carrying out any examination, the Franchisor shall be entitled to make copies of all documents being examined, including the right to remove same from the Premises for a period of up to seven

(7) days to make copies thereof. Also, the Franchisor shall have the right at any time to perform a complete or partial audit of the Business. Anyexamination and/or audit shall be at the cost of the Franchisor unless such audit is necessitated by the failure of the Franchisee to deliver the statements and reports or to maintain its books and records as required pursuant to this Agreement, or unless such examination discloses the Gross Revenue for the period in question to be understated by more than three (2%) percent; in the event of any of the foregoing, the Franchisee shall pay the amount owing as revealed, and the cost of any such examination or audit forthwith upon demand (all without prejudice to any other rights of the Franchisor). If the Franchisee does not deliver any statement of Gross Revenue as required or such statement isincomplete, the Franchisor or its auditor shall have the right to estimate the Gross Revenuefor the period in question and the Franchisee shall immediately pay the amount so estimated. Any estimation of the Franchisor and/or any report of the Franchisor's auditorshall be final and binding on all parties hereto. The Franchisee and the Franchisee's staff shall cooperate fully with all Persons carrying out any review, examination or audit conducted pursuant to this Section 4.

4.5. Inspection and Temporary Operation of the Franchised Business - The Franchisor and/or its nomineesshall have the right at any time and without prior notice to the Franchisee, to enter and remain in the Premises to inspect the Premises, to take an inventory of products, equipment and supplies, to observe the manner in which you are conducting the services, to interview employees and customers, to review all curriculum being used, to determine that Franchisee is properly using the Trademarks, and otherwise to examine the manner in which the Franchised Business is being conducted. In such event,the Franchisee and its staff shall cooperate fully with the Franchisor and/or its nominees. Notwithstanding anything otherwise contained in this Agreement, if in the Franchisor's judgment acting reasonably, the Franchisee is not conducting or otherwise managing the Franchised Business in a proper manner and as a result, the Franchised Business is being affected detrimentally (whether financially, standards of quality are not being maintained or the Franchisee is not otherwise complying with the Franchisor's System), the Franchisor shall have the right but not the obligation, at the expense of the Franchisee, to send a representative or representatives to remain on the Premises to in fact operate and/or manage the Franchised Business and to charge a reasonable fee therefore. Any fee charged by the Franchisor to the Franchisee for such services shall be paid forthwith upon receipt of invoice or at the Franchisor's option. The Franchisor may deduct such amount and other payments due pursuant to this Agreement from the receipts of the Business.

4.6. Changes to Reporting Periods - Notwithstanding anything contained in this Section 4, the Franchisor, in its sole discretion, shall have the right to change the reporting periods for any statements or reports required to be submitted pursuant hereto, and/or the times within which such statements or reports must be submitted, provided at least thirty (30) days' notice is given to the Franchisee.

4.7. **Disclosure of Information** - The Franchisee consents to the Franchisor obtaining, using and disclosing, in a franchise disclosure document or otherwise, to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose of the Franchisor or as may be required by law, any financial orother information contained in or resulting from information, data, materials, in accordancewith this Agreement.

4.8. **Inquires** - The Franchisee hereby authorizes the Franchisor to make inquiry of theFranchisee's lenders, suppliers and other creditors as to their dealings with the Franchisee in relation to the Business, to discuss the affairs, finances and accounts of the Franchised Business (and by its execution hereof the Franchisee authorizes and directs such lenders, suppliers and other creditors to discuss with the Franchisor the affairs, finances and accounts of the Franchisee and the Business) and to obtain information and copies of invoices relating to sales or other dealings with all such persons and the Franchisee in any way relating to the Business. If requested, the Franchisee agrees to execute and deliver such directions and other documents within seven (7) business days in order to permit such lenders, suppliers or other creditors to release or disclose any such information and documents to the Franchisor.

SECTION 5 - GENERAL SERVICES OF THE FRANCHISOR

We shall provide the following to you:

5.1. **Site Selection and Design Assistance** - Our written site selection guidelines and such site selection assistance as we may deem advisable. We will provide and you must purchase from us the AVMS Décor Package that includes the interior design plans for an Angus Valley Montessori School and the services of our design professional to adopt the décor package to your specific site. You will pay us Twenty-Five Thousand Dollars ($25,000.00) for the AVMS Décor Package once you have secured an approved site.

5.2. **Visits and Evaluations** - Visits to the School and evaluations of the products sold and services rendered therein from time to time, including the Services, as reasonably determined by us.

5.3. **Advertising and Promotional Materials** - Certain advertising, promotional materials and information from time to time for use by you in marketing and conducting local advertisingfor the School at a reasonable cost to you.

5.4. **Menu –** Upon payment of a Lunch Menu Fee in the amount of Five Thousand Dollars ($5,000.00), proprietary and non-proprietary recipes, preparation methods, cooking instructions and menus for lunch and snacks for students which Franchise must use in the operation of the Franchised Business.

5.5. **Initial Training Program** - An initial training program, as well as other training programs in accordance with the provisions of Section 8.

5.6. **Opening Assistance** - On-site opening assistance at the School in accordance with the provisions of Section 8.

5.7. **Management and Operations Advice** - Advice and written materials concerning techniques of managing and operating the School from time to time developed by us, including new developments and improvements in School equipment, the Services, food products and the packaging and preparation thereof and menu items that are to be followedin operating of the School.

5.8. **Curriculum**. We shall from time to time, at no additional charge, loan to you proprietary curriculum developed by us for programs, classes, camps and other activities for use by you in operating the Business. You must use and strictly follow the curriculum in providing services to students at the School. You shall not use any curriculum developed by you or any third party. The curriculum is owned by us, remains our property, and is proprietary. The curriculum is Confidential Information subject to the restrictions as set forth in Section 7.2 of this Agreement and subject to copyright protection. The curriculum shall only be used by you, your Owners and your employees in operating the Franchised Business and providing services at the School. You, your Owners and employees shall not at any time copy, duplicate, reproduce or publicly display or assist any other person or entity in copying, duplicating, reproducing or publicly displaying the curriculum, in whole or in part, or any derivative works without first obtaining our written consent. We may require that employees using the curriculum must sign confidentiality and non-disclosure agreements in a form approved by us. We retain the right to require you to discontinue using and to return to us your expense any curriculum, in part or in whole upon your receipt of written notice of the discontinuance. Upon the expiration or other termination for any reason of this Agreement, you shall return all curriculum, including all copies, to us.

Notwithstanding the foregoing, if you have any proposed changes to the curriculum or propose the use of any additional learning methods, information or programs, you must obtain our prior written consent before using any such proposed changes. You must submit a request for such changes in writing and provide us with any and all relevant materials and information on the proposed changes or additions that we request for our review. We in our sole discretion may approve or refuse to approve such proposed changes.

You shall immediately notify us in writing of any apparent infringement of our curriculum, in whole or in part, including derivative works. You shall not directly or indirectly communicate with any person other than us and our legal counsel in connection with any such infringement. We shall have sole discretion and exclusive right to take such action as it deems appropriate to control any litigation, Copyright Office proceeding or other administrative proceeding arising out of such infringement or otherwise relating to our curriculum. You shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain

our interests in any such litigation, or administrative proceedings, or to otherwise protect and maintain our interest in the curriculum.

SECTION 6 - COMPLIANCE WITH SYSTEM

6.1. **Strict Compliance -** The Franchisee acknowledges that every part of the Franchisor'sSystem is important to the Franchisor, the Franchisee, to the operation of the Franchised Business by the Franchisee and to all other franchisees, including without limitation complying with any requirements respecting the uniformity of the Service. The Franchisee shall, at its sole expense, comply with all aspects of the Franchisor's System andoperate the Franchised Business in strict compliance with the standards and policies of the Franchisor,including but not limited to those expressly stated below in this Section 6. The Franchiseeacknowledges and agrees that the Franchisor has the right to set such standards and policiesfrom time to time as the Franchisor may determine.

6.2. **Director** - You shall designate and retain at all times a Director to direct the operationand management of the School. The Director must be approved by the Franchisor. The Director shall be qualified and approved under applicable laws, rules and regulations, including the governmental authority issuing licenses or permit for operation of the School, and must not have a history of non-compliance while working with other schools, daycares, etc. Unless you own and operate multiple Schools or unless we provide our consent to the contrary, you (or one of your owners, if you are a corporate entity) shall be the Director for your School. The Director shall be responsible for the daily operation of the School. The Director shall, during the entire period he/she serves as Director, meet the following qualifications:

a. The Director shall satisfy our educational and business experience criteria as setforth in the Manuals as defined herein or otherwise in writing by us;

b. The Director shall devote full time and best efforts to the supervision and management of the School;

c. The Director shall be individuals that is acceptable to us; and

d. The Director shall satisfy the training requirements set forth in Section 8. If, during the term of this Agreement, Director are not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section,you shall promptly notify us and designate a replacement within ten (10) days afterthe Director ceases to serve, such replacement being subject to the same qualifications listed above (including completing all training and obtaining all certifications required by us). You shall provide for interim management of the School until such replacement is so designated, such interim management to be conducted in accordance with the terms of this Agreement. Any failure to materially comply with the requirements of this Section 6.2 shall be deemed a material eventof default

under Section 15 hereof. The Franchisee shall obtain any necessary governmental approvals in respect of such interim period and new Director.

6.3. **Premises and Improvements** - The Franchisee shall maintain the interior and exterior ofthe Premises, including the Improvements, in a clean and attractive manner of a first-classquality. In connection therewith, the Franchisee shall carry out any alterations, upgrades, redecorations or additions to the Improvements and the Premises as may be reasonably required from time to time by the Franchisor.

In addition, prior to the termination of each five (5) year period throughout the original term and any renewal of this Agreement, the Franchisee shall undertake a significant remodeling and upgrading of the Franchised Business and Premises so to bring them into accordancewith the then current standards as required by the Franchisor. The Franchisee shall not make any alterations, conversions or additions to the Improvements or the Premises without the prior written consent of the Franchisor.

The Franchisee shall not erect any signs or photographs (including religious, cultural or political items) except as are expressly authorized by the Franchisor.

6.4. **Operating Hours** - The Franchisee shall operate the Franchised Business during such hours as may be required by the Franchisor, subject to Landlord regulations and applicable governmentallaws.

6.5. **Personnel** - The Franchisee shall employ and train adequate and competent personnel so as to operate the Franchised Business to its maximum capacity and efficiency; all personnel shall not in any way be deemed employees of the Franchisor and shall be under the exclusive order,direction and control of the Franchisee. Franchisee is exclusively responsible for all employment decisions and functions related to the operation of the Franchised Business, including recruiting, hiring, firing, compensation, benefits, work hours and schedules, work rules, recordkeeping, supervision and discipline of employees. Franchisee shall notify and communicate clearly with its employees in all dealings, including without limitation, its employment applications, written and electronic correspondence, paychecks, employee handbooks, employment policies and procedures, and other written materials that Franchisee (and only Franchisee) is their employer and that Franchisor is not their employer. Franchisee must comply with any state workers compensation act, any state unemployment compensation benefit law or regulation, or any other federal, state or local employment or employee benefit law or regulation, and shall establish employer accounts as required by applicable federal and/or state law. Franchisee shall implement a training program for its employees in compliance with our standards and specifications as set forth in the Manual in order to maintain uniformity within the franchise system and for the protection of the brand and Marks.

Franchisee must carefully screen all employees, including the use of background checks and finger printing, before employing them, to ascertain their fitness for employment in the child education industry. Specifically, Franchisee must use its

best efforts, including taking every action required by applicable laws related to background checks of persons working in the educational field, to ensure that no person is employed who has a record of child molestation or abuse, immoral conduct, drug, alcohol or substance abuse, criminal behavior, or any other pattern of conduct which might jeopardize the welfare of the students attending your School or reflect adversely on the reputation of Franchisor's image, the Marks and System. In the Franchisee is notified of any allegation or claim made against Franchisee and/or any of its employees relating to physical, verbal or sexual abuse or harassment of any child or other inappropriate or illegal behavior, Franchisee must immediately notify Franchisor in writing and Franchisee must conduct an investigation and take such action as is reasonable and appropriate based on the results of the investigation to protect the customers of the Franchisee and the children attending the School and to prevent any material impairment to the goodwill of the Business, the Trademarks and System .

6.6. **Approved Products and Suppliers** - The Franchisee shall sell and offer to the public only those products and Services now or hereafter designated by the Franchisor.

The Franchisee shall purchase all products to be used in the Franchised Business only from the Franchisor or from suppliers who may be approved or designated by the Franchisor from time to time, and which may include affiliates of the Franchisor.

Any purchases made directly from the Franchisor shall be paid for forthwith upon deliveryor otherwise upon such terms as may be agreed to by the Franchisor.

The Franchisee shall forthwith comply with all directives of the Franchisor regarding suppliers, including, if so directed, the Franchisee shall cease all business dealings with any supplier who fails to meet the standards prescribed by the Franchisor, immediately upon direction from the Franchisor. The Franchisor shall not be responsible or liable for any dealings of the Franchisee with any supplier, nor shall the Franchisor be liable for anydefault or delay in the delivery of any products whether by itself or otherwise and the Franchisor further disclaims all warranties in respect of all products purchased by any supplier.

In the event you sell any food, beverage, products, novelty items, clothing, souvenirs or perform any services that we have not prescribed, approved or authorized, you shall, immediately upon notice from us: (i) cease and desist offering or providing the unauthorized or unapproved food, beverage, product, premium, novelty item, clothing, souvenir or from performing unauthorized services and (ii) pay to us, on demand, a prohibited product or service fine equal to Three Hundred Dollars ($300) per day for each day such unauthorized or unapproved food, beverage, product, novelty item, clothing, souvenir or service is offered or provided by you after written notice from us. The prohibited product or service fine shall be in addition to all other remedies available to us under this Agreement or at law.

6.7. **Tuition and Student Fees.** Franchisee shall establish the uniform tuition rates and other charges to Franchisee's students using our prescribed Tuition Rate Guidelines and other guidelines as published in the Manual or otherwise. Franchisee shall publish tuition rates and other charges that will be available to all customers and will make such published revenue information available to Franchisor on request. Franchisee shall have the sole authority to establish the prices it will charge for the services and products offered to customers and any discounts, provided that such prices and discounts must be published and must be offered uniformly to Franchisee's customers and potential customers, except as otherwise provided herein or from time to time in the Manual.

6.8. **Rebates** - The Franchisee agrees that if any volume discounts, rebates or other discounts or benefits of any kind are given directly or indirectly by any supplier to the Franchisor orother Person with respect to goods or services purchased by the Franchisee for the establishment, or use in operation, of the Business, the Franchisor shall be entitled to retainthe full amount of such volume discounts, rebates, advertising allowances or other discounts or benefits solely for its own account.

6.9. **Inventory and Storage** - The Franchisee shall maintain at the Premises a balanced inventory of all products necessary for the operation of the Franchised Business in sufficient quantityto satisfy its customers' needs, but in any event the inventory will at all times be equal to,or greater than, the minimum inventory level as set forth in the Manual. The Franchisee shall stock new and additional products and supplies in such minimum quantities as the Franchisor may determine to be desirable. The Franchisee shall comply with all requirements of the Franchisor concerning the purchase, display and sale of all approved products and services.

6.10. **Working Capital** - the Franchisee shall employ sufficient working capital in the Franchised Businessto properly perform its obligations under this Agreement and shall pay all creditors of the Franchised Business promptly when same shall be due.

6.11. **Use of Name** - Except for use of the Trademarks as specifically provided by this Agreement, The Franchisee shall carry on the Franchised Business under its own name and enter into all contracts (including contracts with suppliers of Services), banking arrangements, security documents or other agreements solely in the Franchisee's own name.

6.12. **Licenses and Compliance with Law.**

(a) The Franchisee shall comply at all times with all federal, state, and local laws, rules, regulations, by-laws, orders, rulings, ordinances and permits having application to the operation of the Franchised Business, including, without limitation, all governmental regulations relating to worker's compensation and unemployment insurance, and withholding and payment

of income taxes, sales taxes, social security taxes, and use and property taxes..

(b) The Franchisee, at its expense, is responsible for and shall obtain and maintain in force all required licenses, permits, permissions, approvals and certificates relating to the operation of the Franchised Business generally and more specifically to the operation of a child care facility and/or school.

(c) Franchisee and its owners agree to comply, and to assist Franchisor to the fullest extent possible in its efforts to comply with Anti-Terrorism Laws (defined below). In connection with such compliance, Franchisee and its owners, certify, represent and warrant that none of their property or interests is subject to being blocked under, and that Franchisee and its owners are otherwise not in violation of, any of the Anti-Terrorism Law. "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and other requirements of any governmental authority addressing or in any way relating to terrorist acts or acts or war. Any violation of the Anti-Terrorism Laws by Franchisee or any owner, of blocking of Franchisee's or its owner's assets under the Anti-Terrorism Laws shall be a basis for termination of this Agreement.

(d) To the extent applicable, Franchisee must abide by: (i) the Payment Card Industry Date Security Standards enacted by the applicable card associations (as they may be modified from time to time or as successor standards are adopted); and (ii) all other standards, laws, rules, regulations or any equivalent directive related to electronic payments, data privacy, personally identifiable information, protected health information, and data protection; and any privacy policies or data protection policies Franchisor may establish from time to time. If Franchisee suspects or knows of a security breach, Franchisee must immediately give Franchisor notice of such security breach and take all necessary remedial actions.

6.13. Moral and Ethical Standards. Franchisee agrees to maintain high moral and ethical standards in the operation of the Franchised Business for the protection of the Marks and franchise system.

6.14. Machines and ATMs - The Franchisee shall not install at the Premises any bank or othervending machines without the prior written approval of the Franchisor, which approval may be unreasonably withheld, provided that the Franchisee shall, upon the request of theFranchisor, enter into such agreements as the Franchisor prescribes with any third-party provider of bank or other vending machines that the Franchisor decides are mandatory forthe Business.

6.15. Credit and Debit Card Services - The Franchisee agrees at all times to have arrangementsin existence with such credit issuers or sponsors, check verification services, electronic funds transfer systems, credit card and debit card hardware, software, maintenance, service and support service providers as the Franchisor designates or approves in writing from timeto time to enable the Franchisee (or the

Franchisor or any designated service provider via any central order-taking, banking, clearing or other service facility that may be established from time to time) to accept customers' credit cards, debit cards, loyalty cards, gift cards,check and other accepted methods of payment for goods.

6.16. Computer System; Internet Access - The Franchisee agrees to purchase, use in the operation of the Franchised Business, and maintain the computer system, including hardware, software, applications and web-based platforms, as specified by Franchisor in the Manual or otherwise in writing from time to time. Franchisee may be required to purchase required software, applications and web-based platforms from approved or designated suppliers which may include Franchisor. Franchisee is responsible for becoming proficient in the use of any required software, applications or web-based platforms. If Franchisor develops and introduces proprietary software into the System, Franchisee must install and use such proprietary software in the operation of the Franchised Business and may be required to sign a software license agreement and pay applicable license and maintenance fees to Franchisor or third parties. Franchisor shall have the right to access, for any purpose or use related to Franchisor's operations and/or monitoring of the franchise system, any information, data or reports stored by the required computer system. Franchisee must update or upgrade the computer system or any components thereof or obtain and use additional components as Franchisor deems necessary for the efficient operation and management of the Franchised Business or for compatibility with Franchisor's computer systems or the computer system Franchisor designates for franchise network use. There is no limitation on the frequency or cost of such updates or upgrades. Throughout the term of this Agreement, Franchisee must maintain an active email account and/or use email addresses provided by Franchisor for promoting and operating the Franchised Business and for communications with Franchisor. Franchisee must have high-speed access to the Internet for promoting and operating the Franchised Business and for communicating with Franchisor in the manner designated by Franchisor.

6.17. Complaints – You shall process and handle all consumer complaints connected with or relating to the School, and shall promptly notify us by telephone and in writing of all of thefollowing complaints: (i) any matter related to a student or personnel of the school (ii) foodrelated illnesses, (iii) environmental, safety or health violations, (iv) claims exceeding Three Hundred Dollars ($300.00), and (v) any other material claims against or losses suffered byyou. You shall maintain for our inspection any governmental or trade association inspection reports affecting the School or equipment located in the School during the termof this Agreement and for thirty (30) days after the expiration or earlier termination hereof.

6.18. Visits and Evaluations - You agree to grant us and our agents the right to enter upon the School premises during normal business hours, for the purpose of conducting inspections;to cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents and without limitingour other rights under this Agreement,

to take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection.

6.19. Crisis Situations – Franchisee shall immediately alert Franchisor to any potential crisis situation relating to the Franchised Business, and shall follow our policies and procedures for managing public relations and communications regarding a crisis situation as we direct in the Manual or otherwise in writing. You shall not engage with media to any crisis situation without our prior approval. For purposes of this Agreement, a potential crisis situation includes (but is not limited to) any allegation or occurrence of abuse, neglect or mistreatment of a child; any allegation or discovery that a child has been released to an unauthorized person; any occurrence of unlawful conduct at the School; any allegation or discovery of any hazardous or unlawful substance associated with the School; any outbreak of a serious illness associated with the School; or any allegation or discovery of any breach of computer or security systems, loss of data, files or personally identifiable information. Because of the potential damage to the System and the goodwill associated with the Trademarks, if you fail to alert us immediately of any potential crisis situation after you know or reasonably should know of the existence of the crisis situation, Franchisee must pay Franchisor a late crisis notification fee in the amount of Two Thousand Five Hundred Dollars ($2,500.00) for each and every failure to notify plus Five Hundred Dollars ($500.00) per day beginning on the second day from the date notification is due, through and include the day the default is cured, to compensate for our added crisis management efforts resulting from the late notification. Neither your requirement to pay nor our receive of any late crisis notification fees shall be deemed to waive or restrict our right to declare a default and termination this Agreement for your failure or breach and shall otherwise be in addition to any other remedies we may have under this Agreement.

6.20 **School Events**. Throughout the term of the franchise, each school year, Franchisee shall, at its expense, conduct periodic Open House events for the purpose of soliciting new students and maintaining enrollment for the School, Parent Nights for the purpose of showcasing the work of the students and meeting teachers, Family Appreciation Day, Holiday Concerts and such other events as Franchisor may designate from time to time. All such school events shall be conducted according to Franchisor's guidelines provided to Franchisee in the Manual or otherwise in writing, which guidelines may include conducting events such as Family Appreciation Day at an offsite location.

SECTION 7 – MANUAL; CONFIDENTIAL INFORMATION

7.1. **Manual**. The Franchisor shall loan a copy of the current Manual to the Franchisee. The Manual contains information relating to the operation of the Franchised Business, including specifications for designated Services, methods of inventory control, bookkeeping and reporting procedures,business practices and policies, and

other management and personnel policies. The Franchisee agrees to conduct the Franchised Business in accordance with the provisions of the Manualand not to deviate therefrom. The Franchisor shall be entitled to add to, change or modify the provisions of the Manual, and the Franchisee shall at all times, and at its cost, abide bythe Franchisor's then current form of the Manual, as changed from time to time. In the event of any dispute concerning the contents of the Manual, the master copy maintained by the Franchisor shall prevail. The Franchisee shall at all times maintain the absolute confidentiality of the Manual and shall not make any copies (physical, electronic or otherwise) thereof. The Franchisee acknowledges it has had no part in the formulation, creation or development of the Franchisor's System nor does he have any ownership, property or other rights or claims of any kind in or to any element of the Franchisor's System, or matters dealt within the Manual. The Franchisee acknowledges that at all timesthe Franchisor's System is the property of the Franchisor.

The Franchisor reserves the right to establish a web-based Manual for the Franchisee's use. At such time, if ever, as a web-based Manual is established by the Franchisor, all provisions relating to the hard-copy form of the Manual in this Section 7 shall apply, along with all other provisions of this Agreement, with the necessary modifications. The Franchisee agrees to keep all passwords and "user ID's" strictlyconfidential.

7.2. **Confidential Information**. Franchisor and its Affiliate possesses certain unique confidential and proprietary information and trade secrets consisting of the following categories of information, methods, techniques, products, and knowledge developed by us and our Affiliate: (1) methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the development, operation, and franchising of the School; (2) methods, procedures, guidelines and curriculum for applying the Montessori teaching method in the programs, classes, camps, and other activities offered by the School; (3) sources of supply, purchasing, and methods of providing the services and products sold by the School; (4) knowledge of test programs, concepts or results relating to new teaching methods, services and products; (5) advertising, marketing and promotional programs; (6) equipping of the School; (8) the training of School managers and other employees; (9) the contents of the Manual or other written materials provided to franchisees; (10) any customized software or proprietary software developed by or for Franchisor for the System; and (11) all customer information, lists, data and records. All such information will be referred to in this Agreement as "Confidential Information." Franchisor will disclose Confidential Information to Franchisee, and will do so in the initial training program, the Operations Manual, or other materials in written or electronic form and in providing guidance and assistance to you under this Agreement. In addition, in the course of the operation of the School and for six (6) months after the termination or non-renewal of this Agreement, if Franchisee or its employees develops ideas, inventions, formulas, concepts, methods, techniques or improvements relating to the System or the operation of the School, Franchisee shall immediately disclose to Franchisor any such ideas, inventions, formulas, concepts,

methods, techniques or improvements. Franchisor may then in its sole discretion determine whether it will authorize Franchisee and other franchisees to use any such ideas, inventions, formulas, concepts, methods, techniques or improvements shall not be used in operating the School. Franchisee shall take all steps necessary for any corresponding intellectual property rights (including without limitation any rights in utility or design patents, know-how, trade secrets, trademarks, services marks and copyrights) in such ideas, inventions, formulas, concepts, methods, techniques or improvements will be Franchisor's property and the title and rights to which shall be legally assigned to Franchisor immediately in writing by Franchisee, its owners, managers and/or employees. All of such information developed by Franchisee or its employees will be included in the term "Confidential Information," as defined above.

7.3. **Non-Disclosure of Confidential Information.** Franchisee agrees that its relationship with Franchisor does not vest in Franchisee any interest in the Confidential Information other than the right to use it in the development and operation of the School in compliance with this Agreement, and that the use or duplication of the Confidential Information in any other business would constitute misappropriation, an unfair method of competition, a breach of this Agreement and copyright infringement. Franchisee acknowledge and agree that the Confidential Information belongs to Franchisor, is proprietary information, that also is subject to copyright prosecution, contains trade secrets belonging to Franchisee and is disclosed to Franchisee or authorized for Franchisee's use solely on the condition that Franchisee agrees, and Franchisee therefore does agree, that Franchisee and its Owners: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed; and (4) will adopt and implement all reasonable procedures we may prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosure to employees and the use of confidentiality and non-competition agreements and other similar with Owners, managers and employees who attend or receive Franchisor's training and/or have access to the Confidential Information. Upon Franchisor's request, Franchisee must provide Franchisor with copies of signed confidentiality and non-competition agreements of any Owners, managers and employees. The restrictions herein on disclosure and use of the Confidential Information will not apply to the following: (a) information, processes, or techniques which are generally known and used in the public domain (as long as the availability of this information is not because of a disclosure, whether deliberate or inadvertent, by Franchisee or its Owners) and (b) disclosure of the Confidential Information in legal proceedings when Franchisee is legally required to disclose it and Franchisee has first given Franchisor the opportunity to obtain an appropriate legal protective order or other assurance satisfactory to it that the information required to be disclosed will be treated confidentially.

SECTION 8 - TRAINING

8.1. Initial Training:

a. **Prior to Opening** – The Franchisor shall provide initial training in all aspects of the System and the operation of a School to the principal Owner of the Franchisee, to the Director, and such other owners of the Franchisee as may be designated by the Franchisee (the "**Franchisee Designates**"), The cost of the initial training for the first two (2) individuals will be covered by the payment of the Initial Training Fee. Franchisee shall pay the then-current initial training fee to Franchisor for each additional person attending the initial training program. Such training shall be conducted prior to the opening of the Franchised Business and may be given at one or more locations specified by the Franchisor, including at third-party training sites. The Franchisee shall be responsible for all travel, living expenses andcompensation payable to the Franchisee Designates and its employees during training. If the Owner designated as Director hereof fails to satisfactorily complete the initial training, the Franchisor shall have the right to terminate this Agreement and the parties will deliver mutual releases in a form satisfactory to the Franchisor. If a non-Owner Director fails to complete the initial training program to Franchisor's satisfaction, Franchisee must hire a different Director and send such replacement Director to the initial training program.

b. **Opening Assistance** – As part of the Franchisor's initial training program, the Franchisor agrees to provide on-site assistance by at least one qualified representative of the Franchisor at all reasonable times for at least two (2) weeks following the opening of the Business. Franchisor shall cover the cost of compensation paid to its representative and you agree to reimburse us for the travel expenses incurred by our representative in providing such opening assistance, including, butnot limited to, travel, lodging and meals.

8.2. **Initial Training of Subsequent Management Personnel** - Prior to commencing of their employment with the Franchisee, unless otherwise agreed to by the Franchisor in writing,the Franchisee shall cause any Director to be employed by the Franchisee from time to time as management personnel to attend the Franchisor's training program at such locationand for such period of time as may be required by the Franchisor. The Franchisor's training cost, and all expenses (including without limitation all travel, accommodation, salaries, and meal expenses) incurred by the Franchisee and any such managers and Directors of the Franchisee in attending any training course of the Franchisor shall be borne by the Franchisee. The Franchisee shall not permit any such manager or Director to assist in the management or operation of the Franchised Business until they have successfully completed the Franchisor's training program andthe Franchisee has paid the Franchisor its reasonable costs of administering such program.

8.3. **Additional Training if Required** - The Franchisee or the Franchisee's management personnel shall be required to take such further training at such location as may be required by the Franchisor from time to time during the Term.

The Franchisor's training cost, and all expenses (including without limitation all travel, accommodation, salaries, and meal expenses) incurred by the Franchisee and any such managers of the Franchisee in attendingany training course of the Franchisor shall be borne by the Franchisee.

8.4. **Seminars and Conferences** - The Franchisee shall attend all franchise conventions, conferences and seminars conducted by the Franchisor. Franchisor may charge Franchisee a fee to attend any convention, conference or seminar ("Registration Fee"). Franchisee acknowledges and agrees that the franchise conventions, conferences and seminars may be conducted outside of the United States. In addition to Registration Fees, Franchisee shall be responsible for all expenses (including without limitation all travel, accommodation, salaries, and meal expenses) incurred by the Franchisee in attending any conventions, conference and seminars.

SECTION 9 - ADVERTISING AND PROMOTIONS

Recognizing the value of advertising and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

9.1. **Local Advertising** - You shall promote the School and market for new customers within your Territory throughout the term of the franchise. Beginning on the date of opening of the School, in addition to the requirement to contribute to the Brand Development Fund, Franchisee must spend on local advertising, marketing and promotion a minimum of Seven Thousand Five Hundred Dollars ($7,500.00) each calendar quarter. You shall submit to us, within thirty (30) days of our request, advertising expenditure reports accurately reflecting your local advertising expenditures, including verification copies of all advertising and any other information that we require.

All local advertising and promotions conducted by the Franchisee shall reflect favorably upon the Franchised and the Franchisor, not be untrue or otherwise misleading, and not be inconsistent with any advertising or promotional campaigns being conducted by the Franchisor or another franchisee of the Franchisor operating a premises using the Franchisor's System and which is located within the regional market area (as may be designated by the Franchisor) where the Premises is located.

Notwithstanding the foregoing, the Franchisee shall submit to the Franchisor all forms of advertising and promotions intended for use by the Franchisee prior to their use, and if for any reason the Franchisor does not approve of such advertisements and/or promotions, the Franchisee shall not use the same. Further, if for any reason the Franchisee conducts advertising and/or promotions which the Franchisor determines are not in keeping with thestandards of the Franchisor's System, the Franchisee, upon notice from the Franchisor, shall cease all use of the

same forthwith. The Franchisee also acknowledges and agrees that in calculating the amount expended by the Franchisee on local advertising and promotion,any services which are provided to customers at a reduced, discounted or at no cost (whichshall require Franchisor approval) shall not be counted. The Franchisee hereby acknowledges that the Franchisor is the sole and exclusive owner of all copyrights in any and all advertising and promotional materials prepared by or on behalf of the Franchisor or Franchisee, which shall at all times remain the property of the Franchisor. Any Expenditures by the Franchisee on local advertising outside of the Brand Development Fund shall be at the Franchisee's expense but shall still require the Franchisor's approval.

9.2. **Participation in Advertising** – The Franchisor may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collectivesuccess of all Schools operating under the System. The Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by the Franchisor for each program. In all aspects of these programs, including,without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us shall be final and binding upon you.

9.3. **Brand Development Fund** – The Franchisor has established and administers a Brand Development Fund for the purpose of advertising the System on a regional or national basis (the "**Brand Development Fund**"). The Franchisee agrees to contribute to the Brand Development Fund an amount equal to three (3%) percent of Gross Revenues. The Franchisor agrees that the Brand Development Fund shall be maintained and administeredby the Franchisor designee as follows:

a. The Franchisor shall direct all advertising programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. The Franchisee agrees and acknowledges that the Brand Development Fund is intended to maximize general public recognition and acceptance of the Trademarks and enhance the collective success of all Schools operating under the System. The Franchisor shall, with respect to Schools operated by the Franchisor, contribute to the Brand DevelopmentFund generally on the same basis as the Franchisee. In administering the Brand Development Fund, we and our designees undertake no obligation to make expenditures for you which are equivalent or proportionate to your contribution orto ensure that any particular franchisee benefits directly or pro rata from the placement of advertising. The Franchisor shall be entitled to reimbursement from the Brand Development Fund for the Franchisors reasonable expenses in managingthe Brand Development Fund.

b. The Franchisee agrees that the Brand Development Fund may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising(including, without limitation, the cost of preparing

and conducting television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; internet marketing; public relations activities; employing advertising agencies to assist therein; development and maintenance of our website;and costs of our personnel and other departmental costs for advertising that is internally administered or prepared by the Franchisor). All sums paid by the Franchisee to the Brand Development Fund shall be maintained in a separate account by the Franchisor and may be used to defray the Franchisor expenses, if any, as the Franchisor may incur in activities reasonably related to the administration or direction of the Brand Development Fund and advertising programs for franchisees and the System.

c. A statement of the operations of the Brand Development Fund shall be prepared annually by the Franchisor and shall be made available to you upon request. This statement of operations may be unaudited.

d. Any monies remaining in the Brand Development Fund at the end of any year willcarry over to the next year. Although the Brand Development Fund is intended to be of perpetual duration, the Franchisor may terminate the Brand Development Fund. The Brand Development Fund shall not be terminated, however, until all monies in the Brand Development Fund have been expended for advertising or promotional purposes, costs of our personnel and other departmental costs for advertising that is internally administered or prepared by the Franchisor, or returned to contributing Businesses or those operated by the Franchisor, without interest, onthe basis of their respective contributions.

e. If the Franchisor elects to terminate the Brand Development Fund, the Franchisor may, in its sole discretion, reinstate the Brand Development Fund at any time. If the Franchisor chooses to reinstate the Brand Development Fund, said reinstated Fund shall be operated as the Franchisor described herein.

9.4. **Regional Cooperative Advertising**. In addition to the local advertising expenditures and contributions to the Brand Development Fund, if a regional marketing cooperative is formed either by us or for a region that covers your Territory, you agree to participate in such cooperative and contribute to the cooperative in the amount and manner agreed upon by a majority of the members of the cooperative. Each of the Angus Valley Montessori Schools in the cooperative, whether franchised or company-owned or affiliate-owned, shall have one vote in the cooperative. Contributions made by you to the cooperative will be credited to your local marketing expenditure requirements in Paragraph 9.1. above. You will not be required to contribute more than one-half of your local advertising spending requirement during any calendar quarter. We assume no direct or indirect liability or obligation to you or to any advertising cooperative with respect to the maintenance, direction or administration of the cooperative, including

without limitation, any failure by franchisees to make required contributions to the cooperative.

9.5. **Conduct of Advertising; Our Approval** - All advertising and promotion by the Franchisee in any medium shall be conducted in a professional manner and shall conformto the Franchisor's standards and requirements as set forth in the Manuals or otherwise. The Franchisee shall obtain the Franchisor's approval of all advertising and promotional plans and materials prior to use if such plans and materials have not been prepared by the Franchisor or previously approved by us during the six (6) months prior to their proposed use. The Franchisee shall submit such unapproved plans and materials to the Franchisor, and the Franchisor shall have fifteen (15) days to notify the Franchisee of the Franchisor's approval or disapproval of such materials. If the Franchisor does not provide its specific approval of the proposed materials within these fifteen (15) days period, the proposed materials are deemed to be not approved. Any plans and materials that the Franchisee submits to the Franchisor for its review will become the Franchisor's property and there will be no restriction on the Franchisor's use or dissemination of such materials.

The Franchisee shall not advertise or use the Trademarks in any fashion on the radio, Internet, World Wide Web or via other means of advertising through telecommunication without the Franchisor's express written consent.

The Franchisor reserve the right to require the Franchisee to include certain language on all advertising to be used locally by the Franchisee or to be used by a cooperative of franchisees, including, but not limited to, "Franchises Available" and reference to our telephone number and/or website.

9.6. **Pre-Opening Advertising and Grand Opening Advertising** – The Franchisee shall spend a minimum of Fifteen Thousand Dollars ($15,000.00) on pre-opening advertising prior to the opening of the Franchise Business. In addition, the Franchisee shall spend a minimum of Fifteen Thousand Dollars ($15,000.00) on a grand opening event and subsequent grand opening advertising. The Franchisor will provide the Franchisee with a pre-opening and grand opening marketing and advertising guidelines. The pre-opening and grand opening advertising costs will be incurred bythe Franchisee. Franchisor reserves the right to conduct some or all of the pre-opening and/or grand opening advertising on Franchisee's behalf, and in such case, Franchisor will invoice the Franchisee for the actual costs for such advertising and the Franchisee will reimburse for such costs within fifteen (15) days of receipt of an invoice therefor. Franchisee's pre-opening advertising campaign and the grand opening advertising campaign must be conducted for a period that is determined by the Franchisor that comprises of advertising both before and after the opening of the School. The pre-opening advertising and grand opening expenditures do not form part of the Franchisee'scontributions to the Brand Development Fund.

9.7. **Advisory Council** - We may, in our discretion, form an advisory council to work

with us to improve the System, the products offered by Angus Valley Montessori Schools, advertising conducted by the Brand Development Fund, and any other matters that we deem appropriate. Advisory council members will include franchisee representatives and our representatives. The franchisee representatives may be chosen by us or may be electedby other franchisees in the System. If an advisory council is formed, it will act solely in anadvisory capacity, and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council.

9.8. **Media Appearances** - The Franchisee shall not make any print, television or radio appearance or make any statement to any public media in connection with the Franchised Business unless the Franchisee obtains the prior written approval of the Franchisor.

9.9. **Website Fee**. Once the approved site for the Franchised Business is secured, Franchisee shall pay to Franchisor a Website Fee in the amount of Two Thousand Five Hundred Dollars ($2,500.00) that will cover Franchisor's costs in developing and establishing a webpage for Franchisee's Franchised Business that will be linked to Franchisor's webpage.

9.10. **Internet, Website and Electronic Commerce** - The Franchisee acknowledges and agreesthat any internet websites, email addresses, or other means of electronic advertising or commerce created and/or operated by or on behalf of the Franchisor shall be deemed "advertising" under this Agreement and may be paid for by the Fund. The Franchisee may not register, create and/or operate any internet website or internet domain name or other address which contains any reference to the Franchisor's System, the Trademarks or the Business. The Franchisee shall comply with the Franchisor's standards and specificationsfor electronic advertising and commerce, including without limitation, those in relation touse and display of Trademarks and copyrighted materials, as prescribed by the Franchisorfrom time to time. Any such advertising must be submitted by the Franchisee to the Franchisor for approval prior to use or display. If ever permitted, the Franchisee shall uponrequest of the Franchisor, cease operating its own website, and/or shall establish such website as part of any other website which the Franchisor may prescribe, and/or shall establish electronic links to such websites as the Franchisor may prescribe.

SECTION 10 – SITE SELECTION, PLANS AND CONSTRUCTION

10.1. **Responsibility to Locate a Site** – It is the sole responsibility of Franchisee to locate a site for the School and all costs and expenses incurred shall be the responsibility and paid by the party incurring such expenses. You assume all cost, liability,expense and responsibility for obtaining and developing a site for the School, and for constructing and equipping the School at such site. You shall not make any binding commitment to a prospective vendor or lessor of real estate with

respect to a site for the School unless the site is accepted by us as set forth below. You acknowledge that the procurement and development of a site for the School is your responsibility; that in discharging such responsibility you shall consult with real estate and other professionals ofyour choosing.

10.2. Site Selection.

a. Prior to acquiring by lease or purchase a site for the School, but within three hundred and sixty (360) days of the date this Agreement is executed, or as directed by the Franchisor, Franchisee shall locate a potential site for the School that satisfies the site selection guidelines provided to the Franchisee by the Franchisor. The Franchisee may submit to the Franchisor in the form which may be specified by the Franchisor a description of the site, including evidence reasonably satisfactory to the Franchisor demonstratingthat the site meets the Franchisor's site selection guidelines, together with such other information and materials as the Franchisor may reasonably require. The Franchisor shall have forty-five (45) days after receipt of this information and materials to approve or disapprove, in the Franchisor's sole discretion, the proposedsite as a prospective location for the School.

   No site may be used for the location of the School unless it is first accepted in writing by the Franchisor. The Franchisee hereby acknowledges and agrees that the Franchisor's approval of a location for the School is not a warranty or guarantee, express or implied, that the Franchisee will achieve any particular level of successat the location or that the School will be profitable. The Franchisor's approval of alocation for the School only signifies that the location meets its then-current minimum criteria for a School.

b. Upon receipt of all site selection information required by the Franchisor, the Franchisor may, but is not required to, have one of its representatives visit the proposed site to determine if it is suitable for a School. Such representative will not review the site in person until the Franchisee has all the required site selection information. If the Franchisor chooses to conduct these on-site evaluations, the first such evaluation will be at its expense. Thereafter, the Franchisee shall be responsible for the Franchisor's reasonable expenses incurred in each subsequent evaluation, including evaluation of sites for any requested relocation during the term of this Agreement.

c. Upon meeting the conditions in this Agreement, if the Franchisee elects to purchasethe premises for the School, the Franchisee shall submit a copy of the proposed contract of sale to the Franchisor for written approval prior to its execution and shall furnish to the Franchisor a copy of the executed contract of sale within five (5) days after execution. If the Franchisee will occupy the premises of the School under a lease directly with a third party landlord, it shall submit a copy of the lease to Franchisor for written

approval prior to its execution and shall furnish to Franchisor a copy of the executed lease within five (5) days after execution. No lease for the School premises shall be accepted by the Franchisor unless a Collateral Assignment of Lease, prepared and executed by the Franchisor, the Franchisee and the Landlord, in substantially the form attached as Schedule B, is attached to the lease and incorporated therein. The Franchisor shall have fifteen (15) days after receipt of the lease or the proposed contract of sale to either approve or disapprove such documentation prior to its execution.

d. Franchisor may, but is not obligated, to lease the Premises for the School directly with the third party Landlord and sublease the Premises to Franchisee. In such event, Franchisee shall execute a sublease in the form prescribed by Franchisor. Franchisor may charge a rent to Franchisee in excess of the amount Franchisor is required to pay the Landlord under the master lease agreement.

e. After a location for the School is accepted by the Franchisor and acquired pursuantto this Agreement, the location shall be described in Attachment A.

10.3. **Zoning Clearances, Permits and Licenses** – The Franchisee shall be responsible for obtaining all zoning classifications and clearances which may be required by local laws, by-laws, ordinances or regulations or which may be necessary as a result of construction, operation or any restrictive covenants relating to the School and the Premises, costs of which must be borne by the Franchisee. Prior to beginning the construction of the School, the Franchisee shall (i) obtain all permits, licenses and certifications required for the lawful construction or remodeling and operation of the School, and (ii) certify in writing to the Franchisor that the insurance coverage specified in Section 13 is in full force and effect and that all required approvals, clearances,permits and certifications have been obtained. Upon written request, the Franchisee shall provide the Franchisor additional copies of the Franchisee's insurance policies or certificates of insurance and copies of all such approvals, clearances, permits and certifications. Prior to opening of the School, Franchisee shall have obtained all applicable permits, licenses and certification required for the lawful operation of a School in the Territory.

10.4. **Design of School** – The Franchisee shall obtain any architectural, engineering, contractor and exterior and interior design services (the "**Design Services**") necessary for the construction of the School from vendors and firms designated and/or approved by the Franchisor ("**Design Firms**") at the sole expense of the Franchisee. The Design Services shall comply with any designs that have been agreed to between the landlord of the School and the Franchisor. The Franchisee acknowledges that involvement by the Franchisor in the Design Services relates only to compliance with the System and that suchinvolvement does not constitute a representation, warranty, or guarantee, express orimplied, by it that such plans are accurate or free of error concerning their design or structural application. The Franchisee shall interact, deal and contract directly with the Design Firms. All

specifications provided by or to the Design Firms shall be submitted to the Franchisor for approval prior to the implementation thereof. The Franchisor shall have thirty (30) days to review and approve, in its sole discretion, such specifications. All designs and specifications used for the construction of the School shall be consistent with and follow the Franchisor's standard layout and interior design plan, and the System, operations manuals and brand templates.

10.5. **Build-Out of School** – The Franchisee shall commence and diligently pursue construction or remodeling (as applicable) of the School. Franchisee shall hire a contractor for the construction or remodeling that is approved by Franchisor. During the time of construction or remodeling (the "**School Build-Out**"), the Franchisee shall provide the Franchisor with such periodic reports regarding the progress of the construction or remodeling as it may reasonably request. In addition, the Franchisor may make such on-site inspections as it may deem reasonably necessary to evaluate such progress. By the time School Build-Out begins, Franchisee shall purchase and maintain temporary signage at the Premises during the School Build-Out announcing the development of the School. Such signage shall be purchased from an approved supplier. Franchisee shall purchase and install all fixtures, furniture, equipment, and signs as required by Franchisee from designated or approved suppliers and/or that meet Franchisor's standards and specifications.

The Franchisee shall notify the Franchisor of the scheduled date for completion of construction or remodeling no later than thirty (30) days prior to such date. Within a reasonable time after the date of completion of construction or remodeling, the Franchisormay, at our option, conduct an inspection of the completed School. The Franchisor shall not open the School for business without the Franchisor's written authorization and that authorization to open shall be conditioned upon the Franchisee's strict compliance with this Agreement.

The Franchisor's involvement in the School Build-Out shall relate only to the compliance with the System. Any work performed by the Franchisor as a result of delinquency of the Design Services or School Build-Out from the System including additional validation as aresult of prior failures to comply with the System shall be at the sole expense of the Franchisee at a rate of $200.00 per hour per person.

If Franchisee requests and Franchisor agrees, Franchisor shall provide site development assistance to Franchisee during the School Build-Out at Franchisee's expense. The assistance may relate to site and building plans, purchasing improvements, build-out, licensing and other matters. Franchisee must reimburse Franchisor for the costs incurred by Franchisor in providing this assistance, including as the cost of compensating its representatives for providing such assistance and the travel expenses incurred by its representatives to travel to and from the site of the School. Franchisee shall also reimburse Franchisor for any requested site development assistance relating to relocation of the School that has been approved

by Franchisor.

10.6. **Opening Date; Time is of the Essence** – The Franchisee must open the School to the public in compliance with this Agreement on or before the date which is twelve (12) months from the date that a lease or purchase agreement for the approved site is executed. Prior to opening, Franchisee must obtain all necessary licenses, permits and approvals, including child care facility licenses and approvals required by the state in which Franchisee's School is location, shall complete all training requirements and build-out the premises of the School as required by this Section 10. You agree not to open the School until after you have received written authorization from us to do so. In addition to the rights and remedies that the Franchisor may have hereunder, if the Franchisee fails to comply with this opening date requirement and has not obtained a written extension from Franchisor, the Franchisee shall pay to the Franchisor as liquidated damages for such default an amount of Eight Thousand Dollars ($8,000) for every month or part of a month that the Franchisee is delayed in opening the School.

10.7. **Use of Premises -** The right and license granted to the Franchisee pursuant to Section 2.1hereof, has been granted to the Franchisee solely for use by it at the Premises. The Franchisee shall use the Premises only for the operation of the Franchised Business and for no other purpose.

10.8. **Option to Terminate** – If within a period of fourteen (14) months following the executionof this Agreement, a suitable location for a School has not been found and a Lease or purchase agreement has not been entered into for such location, then until such time as either Party has entered into a Lease or purchase agreement in accordancewith the provisions of Sections 10.1 and 10.2 hereof, either party shall have the continuing option to terminate this Agreement. In such a case, this Agreement and the rights and obligations of the Parties hereunder shall terminate upon delivery of written notice to the other party. Forthwith upon termination of this Agreement, the Parties shall deliver to each other such releases and other documents as may be required to fully terminate this Agreement and any related agreements between them in respect of the rights hereingranted and the Franchisor shall refund to the Franchisee all amounts paid by the Franchisee in respect of the Initial Franchise Fee, less reasonable costs and expenses, including without limitation, commissions, consulting fees, brokerage, site selection and demographic data, and Franchisor's travel expenses in inspecting proposed sites, which will not be less than Fifteen Thousand Dollar ($15,000).

10.9. **Relocation -** If Franchisee wishes to relocate, or if the premises of the Franchised Business are damaged or destroyed and cannot be repaired within 360 days, Franchisee shall submit to Franchisor a written request for relocation of the School, including information concerning the new location for the School. In order to obtain approval for relocation, Franchisee must meet certain requirements, including being in compliance with this Agreement, the location meeting Franchisor's then-current requirements for Schools, and the location being with the Territory. Franchisee shall reimburse Franchisor for any costs incurred in

connection with the request for relocation, including costs related to site evaluation and site development assistance, if requested.

SECTION 11 - ENGAGEMENT IN SIMILAR BUSINESS

11.1. The Franchisee agrees as follows:

a. during the Term and any renewal thereof, the Franchisee and Guarantor shall not, either directly or indirectly, individually or as a director, officer, employee, shareholder, manager or member of any entity, or in any other capacity whatsoever, engagein, be concerned with or interested in, advise, lend money to, guarantee the obligationsof, or permit its name to be used in, any Montessori or similar school offering and selling services and products similar to those offered and sold by the School (a "**Competing Business**");

b. upon the termination of this Agreement for any reason whatsoever, or if the Franchiseeeffects a Transfer, then for a period of two (2) years following such termination or Transfer, the Franchisee and Guarantor shall not, either directly or indirectly, individually or as a director, officer, employee, shareholder, manager or member of any corporation or other entity, or in any other capacity whatsoever, engage in, be concerned with or interested in, advise, lend money to, guarantee the obligations of, orpermit its name to be used in, any Competing Business and which is located at the Premises or anywhere within a radius of three (3) miles of the Premises or the premises of any other Angus Valley Montessori School that is owned or operated by the Franchisor, any affiliate of the Franchisor or any other franchisee of the Franchisor;

c. that all information (whether oral or written) disclosed to the Franchisee by or on behalfof the Franchisor pursuant to this Agreement including all information contained in the Manual, is disclosed to the Franchisee in the strictest of confidence and/or as trade secrets and accordingly, the Franchisee shall not, either during the Term, or at any timeduring any renewal or thereafter, disclose any information with respect to the Franchised Businessor the Franchisor's System or the Manual, other than to its employees as incidental to their training; and

d. the Franchisee and Guarantor shall not directly or indirectly appropriate, use orduplicate the Franchisor's System or any portion thereof;

11.2. Without limiting any other provisions of this Agreement, if any provision of Section 11.1 is deemed to be void or unenforceable in whole or in part, it shall not be deemed to affect or impair the validity of any other provision of Section 11.1 or the Agreement and anyother agreement between the Parties, and may be amended by the Franchisor to bring Section 11.1 into compliance.

11.3. The Franchisee and Guarantor acknowledge and agree that the restrictions set forth in Section 11.1(b) are reasonable and valid and all defenses to the strict

enforcement thereofare hereby waived by the Franchisee and the Guarantor. To the extent that Section 11.1(b)is deemed unenforceable by virtue of its scope in terms of area, business activity prohibitedand/or length of time, but could be enforceable by reducing any and/or all thereof, the Franchisee, Guarantor and the Franchisor agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought.

SECTION 12 – TRADEMARKS

12.1. The Franchisee expressly understands and acknowledges that Franchisor's Affiliate is the owner of all right, title and interest in and to the Trademarks, that the Franchisor has been granted a license by the Affiliate to use and license others to use the Trademarks, and that the Trademarks are valid and serve to identify the System and those who are franchised underthe System. The Franchisee agrees that the right granted to it to use the Trademarks is granted for use solely in connection with the Franchised Business and the Franchisee agrees to use the Trademarks only as authorized by the Franchisor from time to time. Any unauthorized useof the Trademarks shall constitute an infringement of the rights of the Franchisor. The Franchisee agrees that it has no right, title or interest whatsoever in the Trademarks or theFranchisor's System and any and all goodwill associated with the Trademarks and the Franchisor's System shall ensure exclusively to the benefit of the Franchisor and Franchisor's Affiliate. The Franchisor may assign any intellectual property rights that it may have, including rightsin and to the Trademarks, to any related or affiliated company in the future without consentof the Franchisee**.**

12.2. Without in any way restricting or limiting any of the matters dealt with in Section 12.1 hereof, the Franchisee agrees as follows:

a. to use the Trademarks as the sole identification of the Franchised Business and prominently display the Trademarks in the manner we prescribe;

b. to comply with Franchisor's instructions in filing and maintaining the requisite trade name, and to execute any documents deemed necessary by the Franchisor or its counsel to obtain protection for the Trademarks or to maintain its continued validity and enforceability;

c. not to register or attempt to register the Trademarks in its name, dispute or contest thevalidity, ownership or enforceability of the Trademarks, or use any of the Trademarksas part of its entity name;

d. to notify the Franchisor promptly of any attempt by any Person, to use the Trademarks,and of any action involving the Trademarks that is threatened or instituted by any Person against the Franchisee and to cooperate fully in defending or settling such litigation and to comply with Section 12.5;

e. subject to Section 12.3, to operate and advertise the Franchised Business only

under the Trademarks and to use the Trademarks without any accompanying words or symbols and in accordance with the standards attendant to the Franchisor's System; and

f. affix in a conspicuous place in the Premises and on any documents or notices to employees, customers, vendors and third parties, a notice stating that the Franchisor owns the Trademarks and the Franchisee is an independent franchised operator of the Franchised Business authorized to use such Trademarks;

g. not use the Trademarks in connection with the sale of any unauthorized service or product or in any other manner not expressly authorized by Franchisor in writing.

12.3. The Franchisor and its Affiliate hereby reserves the right to modify or discontinue use of any of the Trademarks or for the Franchised Business to use one or more additional or substitute trademarks, service marks, trade names or domain names. Franchisee agrees to comply with Franchisor's directions to modify or otherwise discontinue the use of the Trademarks, or use one or more additional or substitute trademarks, service marks, trade dress or domain names, within a reasonable time after Franchisor's notice to Franchisee, at Franchisee's sole expense. If Franchisor requires Franchisee to modify or discontinue use of any Trademark, Franchisor and its Affiliate have no obligations or liability to Franchisee for its actual expenditures or other costs incurred in order to comply with this obligation.

12.4. Notification of Infringement and Claims. Franchisee shall notify Franchisor in writing within one (1) week of any apparent or suspected unauthorized use of the Trademarks, any challenge to the validity of the Trademarks, any challenge to Franchisor's Affiliate's ownership of Franchisor's right to use or license others to use, or Franchisee's right to use, the Trademarks or similar trade names, domain names, trademarks, service marks or trade dress, or any claim by any person of any rights in any Trademark or any similar trade name, domain name, trademark, service mark or trade dress of which Franchisee may become aware. Franchisee agrees not to communicate with any person except Franchisor or Franchisor's or Franchisor Affiliate's attorneys and Franchisee's attorneys in connection with any such infringement, challenge or claim. Franchisor and its Affiliate have sole discretion to take such action as we deem appropriate and the sole right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding, ICANN Uniform Domain Name Dispute Resolution Policy proceeding or other administrative proceeding, arising out of any infringement, challenge or claim or otherwise relating to any Trademark. Franchisor and its Affiliate have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Trademarks. Franchisee agrees to sign any and all instruments and documents, provide such assistance and take any action that Franchisor or its Affiliate's attorneys say are necessary or advisable to protect and maintain their interests in any such litigation, U.S. Patent and Trademark Office proceeding, ICANN Uniform Domain Name Dispute Resolution Policy proceeding or other administrative proceeding related to

the Marks or to otherwise protect and maintain our interests in the Marks. FRANCHISOR AND ITS AFFILAITE MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS.

12.5. **Internet and Social Media Prohibition.** The Franchisee may not use the Trademarks to secure any domain name without the Franchisor's written consent. Additionally, the Franchisee agrees that it may not use nor post any of the Trademarks, nor any derivatives thereof on any webpage, social networking site, blog or other publication without the priorwritten approval of the Franchisor which approval may be withheld in Franchisor's discretion. Franchisee shall not on any website, webpage, social media site or other online presence express any political or religious opinions, or make any discriminatory or inflammatory remarks in conjunction with the Trademarks. Franchisee shall abide by the terms of any social media policy issued by Franchisor.

SECTION 13 – INSURANCE

13.1. Franchisee must at all times during the term of this Agreement maintain in force, at Franchisee's expense, insurance policies satisfactory to Franchisor in accordance with the standards and specifications set out in the Manual or otherwise in writing from time to time, issued by an insurance company approved by Franchisor. Current minimum insurance requirements are as follows:

i. **Comprehensive General Liability** - $1,000,000 per occurrence and $2,000,000 aggregate to provide Bodily Injury and Property Damage including Products Liability, Personal & Advertising Liability, Tenant's Liability and Medical Payments. This policy may not have any exclusions for virus, bacteria or pandemics and must be on an occurrence form unless not commercially available.

ii. **Automobile Liability** - $1,000,000 Combined Single Limit Liability to cover any auto used in the Franchised Business including owned, non-owned and rented/hired vehicles

iii. **Umbrella Liability** - $3,000,000 limit excess of Comprehensive General Liability, Automobile Liability, Employer's Liability and Employee Benefit Liability

iv. **Property Insurance** - to cover 100% of the replacement cost of all build-out, furniture, fixtures, equipment and inventory used in the Franchised Business. This policy must include Flood and/or Earthquake coverage in geographically prone zones.

v. **Business Income & Extra Expense** – will be covered for a limit of at least 50% of your sales limit or 12 months actual loss sustained. This policy will also cover royalties due to the franchisor. This policy should include an Extended Period of Indemnity of at least 180 days.

vi. **Workers' Compensation and Employer's Liability** – Statutory Workers' Compensation for lost wages and medical payments for job related injuries and Employer's Liability of $1,000,000 for any claims brought against the employer by an employee for an intentional injury.

vii. **Employment Practices Liability** – $1,000,000 limit to cover any wrongful employment acts, third-party liability for discrimination and harassment, include Wage & Hour Defense for at least $100,000 and include the Franchisor as a Co-Defendant.

viii. **Cyber Liability** - $1,000,000 limit to cover all first and third party cyber claims, including but not limited to Privacy Liability, Regulatory Liability, PCI-DSS Liability, Business Interruption, Cyber Extortion, and Social Engineering for $100,000.

ix. **Professional Liability** - $1,000,000 per occurrence and $2,000,000 aggregate to cover any wrongful act or educator's legal liability claim brought against you and/or us as a result of your professional services as an Angus Valley Montessori School franchisee. This policy will be written on an occurrence form unless not commercially available. If this policy is written on a Claims-Made basis a two-year tail policy will be required if it is cancelled or non-renewed due to cessation of your business operations as an Angus Valley Montessori Schools franchisee. This policy may not have a retention or deductible greater than $5,000 per claim.

x. **Sexual Misconduct Coverage** - $1,000,000 per occurrence and $2,000,000 aggregate on an occurrence form basis. This policy will require a two-year tail if it is cancelled or non-renewed if it is on a Claims-Made basis.

xi. **Other**. All other insurance that is required under the Lease for the premises of the School or by application law. Franchisor reserves the right to require coverage following termination of this Agreement on any policy required by this section. Franchisor will provide 30 days written notice if it elects to exercise this option.

13.2. Evidence of Insurance and Failure to Maintain Insurance. Franchisee must submit to Franchisor prior to opening the Franchised Business and annually thereafter or at Franchisor's request, a copy of the certificate or other evidence of such insurance policy and all renewals or extensions. If Franchisee at any time fails

or refuses to maintain in effect any insurance coverage Franchisor require, or to furnish satisfactory evidence of such coverage, Franchisor at its option and in addition to our other rights and remedies under this Agreement, may obtain such insurance coverage on Franchisee's behalf, and Franchisee agree to promptly execute any applications or other forms or instruments required to obtain any such insurance, allow any inspections of the School which are required to obtain or maintain the insurance and pay to Franchisor, on demand, any costs and premiums incurred by Franchisor plus a handling fee of ten percent (10%) of the premiums to cover Franchisor's expenses in connection with obtaining such insurance.

13.3. **Franchisee to Report Claims** - The Franchisee will promptly report all claims or potentialclaims against the Franchisee, the Franchisor or the Franchised Business to its insurer and theFranchisor.

13.4. **Franchisor's Option to Alter Insurance Protection** - The Franchisor may from time to time reasonably determine and increase the minimum insurance limits and require differentor additional kinds of insurance to reflect changes in insurance standards, normal business practices, higher court awards and other relevant considerations.

13.5. **Franchisee's Obligation to Inform Franchisor of Material Change in Operation** - The Franchisee will as soon as practicable provide notice to the Franchisor and the Franchisor's insurance broker of any change in operations, whether related to occupancy or operation of the Business, which may prejudice the rights of the insurer and preclude the Franchiseeor Franchisor from being able to make an otherwise valid claim under the terms of the insurance policy or policies obtained pursuant to this Section.

13.6. **Policy Terms** - All insurance policies of the Franchisee shall name the Franchisor, such other persons as the Franchisor may designate and such other persons as the Landlord may require pursuant to the provisions of the Lease, as additional insureds and shall provide for the release of all rights of subrogation against the Franchisor and those for whom the Franchisor is in lawresponsible as well as all of the other above-named Persons. The policies shall also contain a clause that the insurer will not cancel, change or refuse to renew the insurance without giving the Franchisor thirty (30) days prior written notice. Comprehensive general liabilityinsurance shall contain a cross liability and severability of interests clause as between the Franchisor and those for whom it is in law responsible, any Persons as may be required by the Landlord pursuant to the provisions of the Lease, and the Franchisee.

13.7. Notwithstanding anything contained in this Section 13, the Franchisor assumes no obligation for any premium or other insurance expenses nor guarantees any losses sustained; it is the sole responsibility of the Franchisee to determine what insurance coverage it requires for its own purposes in respect of the Business, the Premises or otherwise.

SECTION 14 –INDEMNIFICATION; RELATIONSHIP OF THE PARTIES

14.1. **Indemnification.** The Franchisee agrees that if the Franchisor or any of its officers, managers, members, employees or agents shall incur any costs or expenses, become a party to any claim, demandor penalty, or become a party to any suit or other judicial or administrative proceeding by reason of any act or omission of the Franchisee or those for whom it is responsible in law,or by reason of any act occurring on the Premises or any sale of Services, or in the negotiation of, or by reason of any violation of this Agreement, any agreements entered into pursuant to this Agreement or of the Lease, or by reason of any act oromission arising out of or in respect of the Business, the Franchisee shall indemnify and hold the Franchisor and its officers, managers, members, agents and employees harmless against all liabilities, losses, suits, claims, judgments, costs and expenses (including legal fees, court costs and other expenses of litigation or judicial or administrative proceedings)to which the Franchisor and its officers, managers, members, agents and employees shallor may become liable for or suffer, including without limitation, all costs whatsoever (including legal fees) incurred by the Franchisor in enforcing its rights and remedies underthis Agreement.

14.2 **Independent Contractor; No Fiduciary Relationship.** It is understood and agreed by the parties that this Agreement does not create a fiduciary relationship between us, that you and we are independent contractors and that nothing in this Agreement is intended to make either of us a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. You agree to conspicuously identify yourself at the School, and in all dealings with potential and existing customers, subcontractors, employees, suppliers, public officials, and others as the owner of an independent business pursuant to a franchise agreement with us. You further agree to place any notices of independent ownership on your signs, vehicles, forms, business cards, stationery, advertising and other materials that we may require from time to time.

14.3 **No Employment Relationship.** You expressly acknowledge that we are not your employer or an employer of any of your employees or subcontractors. In addition, we are not a joint employer with you. You acknowledge that our training, guidance, advice and assistance, your obligations under this Agreement and the standards, specifications, policies and procedures required by us under this Agreement and in the Manual are imposed not for the purpose of exercising control over you or the operation of your Business, but rather for the limited purpose of protecting the Trademarks, Marks, System and Confidential Information, goodwill and brand consistency. You shall notify and communicate clearly with your employees in all dealings, including without limitation, employment applications and other employment forms, written and electronic correspondence, agreements or contracts, paychecks, employee handbooks, employment policies and procedures, and other written materials that you (and only you) are their employer and that we are not their employer. You are solely responsible for the management and supervision of the Franchised Business as an independent franchise owner/operator.

SECTION 15 - EVENTS OF DEFAULT

15.1. The Parties agree that the happening of any of the following events constitutes a breach ofthis Agreement and violates the essence of the Franchisee's obligations. Accordingly, without prejudice to any other rights or remedies at law or in equity, the Franchisor, at its option, may upon written notice terminate this Agreement at any time upon the happeningof any of the following events:

a. if the Franchisee operates the School or sell any products or services authorized by theFranchisor for sale at the School at a location which has not been approved by the Franchisor;

b. if the Franchisee fails to construct or remodel the School in accordance with the Franchisor's standard plans and specifications provided to you under Section 10.4, as such plans may be adapted with the Franchisor's approval, or the Franchisee fails to construct or remodel the School using the building materials specified or required by the Franchisor;

c. if the Franchisee fails to open the School for business within the period specified in Section 10.6 hereof, subject to Section 10.8;

d. if default shall be made in the due and punctual payment of any amount payable to theFranchisor, or a Franchisor's associate or affiliate, under any agreement entered into between the parties hereto in connection with this franchise transaction, including but not limited to this Franchise Agreement, the Lease, an Asset PurchaseAgreement and financing/purchase money agreements, or to any other creditor of the Franchisee (including the Franchisee's suppliers) when and as the same shall become due and payable, whether such debt is owing to the Franchisor or to any other creditorof the Franchisee, and such default continues for a period of seven (7) days after writtennotice thereof has been given by the Franchisor to the Franchisee;

e. if the Franchisee fails to observe or perform any other term or condition of this Agreement to be observed and performed by the Franchisee or any of the rules, bulletins, directives, or other notices set forth in the Manual, and such failure to observeor perform the same continues for a period of ten (10) days after written notice thereofhas been given by the Franchisor to the Franchisee;

f. if the Franchisee abandons the Business, or fails to continuously and actively operate the Franchised Business for a period of five (5) consecutive days.

g. if a threat or danger to public health or safety results from the construction, maintenanceor operation of the School, or if the Franchisee fails to maintain the School according to the Franchisor's standards and/or applicable law and do not correct such failure within forty-eight (48) hours after notice from us;

h. if the Franchisee or any Owner is convicted of a criminal offense or engages in

any other conduct which in the Franchisor's reasonable opinion substantially impairs the goodwill associated with the Trademarks, the Franchised Business or the reputation of the Franchisor, including but not limited to verbal or physical abuse of a child;

i. if the Franchisee fails to comply with any of the terms and conditions of any agreementsentered into pursuant to this Agreement, including the Lease or any sublease with Franchisor, or if, for any other reason the Lease or sublease terminates or expires;

j. if the Franchisee shall be adjudicated a bankrupt or become insolvent,or if a receiver or other Person with like powers shall be appointed (whether temporary or permanent) to take charge of all or substantially all of the Franchisee's assets, or if the Franchisee shall make a general assignment for the benefit of creditors, or if Franchisee commences any proceedings to wind-up, liquidate or dissolve the Business;

k. if any judgement or judgements in excess of Five Thousand Dollars ($5,000) or any federal, state, or local tax lien against the Franchisee remains unsatisfied or bonded of record in excess of twenty-one (21) days, or if the Franchisee shall commitor suffer any default under any security instrument;

l. if the right of possession of the Franchisee to the Premises as tenant or subtenant is terminated prematurely (whether voluntarily or involuntarily) at any time, or if the Premises are used by any party other than such party entitled to use the same;

m. if the Franchisee falsifies any application, statement or report furnished to the Franchisor or otherwise deliberately provides false information to the Franchisor;

n. if the Franchisee is unable to obtain any all permits or licenses required under application law or regulation for operation of the School within six (6) months of receipt by the Landlord that the Premises are ready for possession;

o. if the permits or licenses issued by any governmental or regulatory authority, including but not limited to the permits or licenses for the operation of the School, or food handling permit, has been terminated, suspended or revoked or if the Franchisee fails to meet all of the requirements set out under the applicable laws, rules or regulations for the operation of the School;

p. The Franchisee fails to meet the Minimum Enrollment Requirements in any given year;

q. if the Franchisee commits defaults for which notices of default have been served morethan two (2) times in any consecutive twelve (12) month period during the Term, notwithstanding that such defaults may have been cured; or

r. if the Franchisee makes an unauthorized assignment or transfer of this Agreement or the Franchised Business in violation of Section 17 herein;

s. If the Franchisee makes any unauthorized use or disclosure of any Confidential Information or makes any unauthorized use of the Trademarks;

t. If the Franchisee or any Owner is engaged in a competing business in violation of Section 11.1.a.

15.2 **Cross-Default** - If the Franchisee or any of Franchisee's owners operates one or more other locations using the Franchisor's System, whetherindividually or together with any other Persons, any default under any provisions of any one agreement governing the operation of a location including this Agreement shall be deemed to be an event of default under all agreements governing the operation of all suchother locations (the "**Non-Defaulting Locations**"). The Franchisor shall act reasonably indetermining whether to exercise such event of default in respect of the Non-Defaulting Locations.

SECTION 16 - EFFECT OF TERMINATION OR EXPIRATION

16.1. **Post-Termination Obligations** - Forthwith upon the termination or expiration of thisAgreement for any reason whatsoever, the following provisions shall apply:

a. all rights of the Franchisee under this Agreement including its right to use the Franchisor's System and the Trademarks shall cease forthwith and the Franchisee shall cease conducting the Franchised Business and using any advertising and promotional material in respect thereof;

b. the Franchisee shall deliver the Manual and all other material containing Confidential Information respecting the Franchisor's System, and all items and materials containing the Marks, to Franchisor;

c. the Franchisee shall cease use of all telephone numbers, e-mails, social media and listing services connectedwith the Franchised Business and transfer same to the Franchisor upon the Franchisor's request, including all log-ins and passwords;

d. without limiting any other rights or remedies of the Franchisor, the Franchisee shall pay all amounts owing by it to the Franchisor forthwith up to the date of termination or expiration;

e. the Franchisor shall have the immediate right, but not the obligation, to enter upon andtake possession of the Premises, and without charge therefore, to use the Improvements,the Services and inventory of the School and other assets of the Franchised Business to maintain the continued operation of the Franchised Business and/or to provide for orderly change of management, and to otherwise protect the Franchisor's interests, and such right shall include without limitation, the right to sell the Services and carry on business from thePremises

in the ordinary course. In connection with the foregoing, the Franchisee shall cooperate fully, and execute such documents as are required by the Franchisor;

f. the Franchisee shall not, without the Franchisor's prior written consent, remove any Improvements from the Premises either prior to or for a period of sixty (60) days aftertermination or expiration. The Franchisor shall have the option for a period of sixty (60) days following such termination or expiration, to purchase, all or any portion of the Improvements to which the Franchisee has an interest for a sum equal to their fair market value as determined by an independent appraiser or valuator selected by the Franchisor, and/or all or any portion of the Services for a sum equal to their cost to theFranchisee. In no event shall the Franchisor be required to pay for goodwill or any otherintangible assets or any leasehold interest of the Franchisee in the Lease, and the Franchisee shall not have any right to claim any interest in those Improvements which are not movable and are otherwise of a permanent nature or against which the Landlord may have a claim under the Lease (whether such Improvements are movableor immovable).

   If the Franchisor exercises the said option, the Franchisee will deliver against paymenttherefore, the assets with good and marketable title free and clear of all liens, encumbrances, claims or demands and evidenced by a registerable bill of sale with theusual covenants as to title. Any sale shall be completed pursuant to applicable bulk sales legislation, and nothing contained herein requiring compliance with such legislation, shall prejudice the provisions hereof with respect to possession and ownership as between the Franchisor and the Franchisee. Notwithstanding the foregoing, the Franchisor shall be able to deduct from any purchase price payable by it, any amounts owing to it by the Franchisee as of the date the purchase is completed and any purchase pursuant hereto shall be completed on or before the date twenty-one
   (21) days following the date the Franchisor exercises its option;

g. the Franchisee shall deliver all files and records in respect of the School, including but not limited to, as they relate to personnel, students, parents and consumers (the "**Files**") and shall providea certificate signed by the Franchisee or the principal officer of the Franchisee, if the Franchisee is an entity, certifying that all other copies, electronic or otherwise, ofthe Files have been destroyed in a form satisfactory to the Franchisor. The Franchisee acknowledges that the Franchisor has had and continues to have, at all times, good andmarketable title in the Files.

h. the Franchisee shall, at the Franchisor's election, vacate the Premises. In the event thatthe Franchisee is permitted to retain possession of the Premises, the Franchisee shall within 10 days, at its expense, make such modifications to the interior and/or exterior ofthe Premises as the Franchisor shall require (which may include, without limitation, the removal of some or all of the Improvements), to remove identification as a School and/or connection to the Trademarks and the Franchisor's System.

16.2. **Survival of Covenants** - Notwithstanding the termination or other expiration of this Agreement for any reason whatsoever, or any Transfer, all covenants and agreements to be performed and/or observed by the Franchisee under this Agreement and/or any other agreements entered into pursuant hereto, shall survive any said termination or expiration of this Agreement or any Transfer.

16.3. **Liquidated Damages** - If we terminate this Agreement with cause, you must pay us liquidated damages equal to the average value of the Royalty Fees you paid or owed (per month) to us during the twelve (12) months before the termination multiplied by (i) twenty-four (24), being the number of months in two (2) full years, or (ii) the number of months remaining during the term of this Agreement, whichever is higher.

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

The liquidated damages provision only covers our damages from the loss of cash flow fromthe Royalty Fees. It does not cover any other damages, including damages to our reputationwith the public, goodwill and landlords and damages arising from a violation of any provision of thisAgreement other than the Royalty Fee section. You and each of your owners agree that theliquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

SECTION 17 - ASSIGNMENT BY FRANCHISEE

17.1. No Transfer without Consent

Except as specifically provided by Section 17.5, the Franchisee shall not directly or indirectly cause a Transfer to any Person (referred to specifically in this Section 17, as the"Recipient") without the prior written consent of the Franchisor, which consent, subject to compliance with Section 17.4, will not be unreasonably withheld. No Transfer shall occuror shall consent be deemed to be given by reason of the failure by the Franchisor to give notice to the Franchisee within any time period specified in this Section 17.

17.2. Death or Disability

a. Upon the death or permanent disability of the Franchisee or of the principal operating officer where the Franchisee is an entity, the interest of the

Franchisee in this Agreement shall be assigned to the Franchisor as a right of first refusal and if refused by the Franchisor may be assigned to a Recipient who is the Franchisee's spouse, heir or nearest relative by blood or marriage or the spouse, heir or nearest relative by blood or marriage of the principal operating officer where the Franchisee is an entity subject to the following conditions:

i. in the sole opinion of the Franchisor, the Recipient(s) must be capable of operating the Business;

ii. all Recipients must execute and deliver an agreement agreeing to assume full and unconditional liability for, and perform all obligations of and abide by all provisions of this Agreement as if they were the original Franchisee;

iii. all or such Recipients as designated by the Franchisor must complete the initial training course required of new franchisees; and

iv. the Franchisee or his/her estate shall continue to remain personally liable for the Franchisee's obligations contained in this Agreement for such time as the Franchisor may determine.

b. Until the Franchisor determines the capability of the Recipients as provided by subsection (a)(i) above and the other conditions of subsection (a) are complied with, the Franchisor shall have the right (but not the obligation) to operate and/or manage theFranchised Business for the account of the Franchisee or his estate in accordance with theprovisions of this Agreement. If the Franchisor operates and/or manages the Business, the Franchisor shall account for the income and disbursement of all monies received by it in connection with the Franchised Business less a reasonable management and operating feeof five percent (5%) plus the Franchisor's expenses.

c. If within the twelve (12) month period following the date of death or permanent disability of the Franchisee, the conditions of subsection (a) above have not been complied with, or the Franchised Business has not been sold to a Person acceptable to the Franchisor in accordance with the terms of this Agreement, the Franchisor shall have the option to (i) to purchase the Franchised Business at fair market value as determined by an independent appraiser or valuator selected by the Franchisor, such option to be exercised within ninety (90) days of the end of the aforesaid twelve (12) month period; or (ii) to terminate this Agreement.

d. The Franchisor shall have the right to arrange such insurance on the life of the Franchisee as it shall determine to effect any purchase of the Franchised Business as provided herein, if such is the case, and all premiums or other amounts required to maintain suchinsurance in good standing shall be payable by the Franchisor.

e. For the purpose of this Section 17.2, the Franchisee shall be deemed to have a "permanent disability" if his usual, active participation in the Franchised Business is for any reasoncurtailed for a continuous period of five (5) months and in calculating such period, unless the Franchisee has returned to his usual, active participation in the Franchised Business for thirty (30) consecutive working days, then the said five (5) month period shall be deemed to have continued without interruption.

17.3. **Transfer to Franchisee Owned Entity** - The Franchisor agrees to consent to an assignment of this Agreement by the Franchisee to an entity whose ownership interests are wholly owned and controlled by the Franchisee provided the Franchisee gives prior written noticeto the Franchisor of his intention to make any such assignment and provided the Franchisee and/or the entity comply with all requirements which may be imposed by the Franchisor with respect to such assignment. The Franchisee's entity shall not include all or any part of the Trademarks in its name. Upon any such assignment, the entity shall contemporaneously with the giving of consent by the Franchisor, agree in writing with the Franchisor, in the form prescribed by the Franchisor, to perform all obligations ofand abide by all provisions of this Agreement. The Franchisee and Guarantors shall continue to remain personally liable for all obligations and agreements contained in this Agreement, and shall execute a guarantee of the entity's obligations. No additional assignment of shares shall be made without complying with the provisions of Section 17.4 hereof. Further, in the event of any assignment hereunder, the Franchisee shall make available to the Franchisor all corporate books forthwith upon request.

17.4. Conditions of Consent

a. If the Franchisee desires to effect a Transfer, he shall submit an application in writing to the Franchisor including therewith, a copy of the bona fide offer relating to the proposed Transfer, information relating to the net worth, financial responsibility, credit rating, criminal record check, character and business background and experience of the proposed Recipient, and such other information as the Franchisor may require.

b. Upon receipt of the Franchisee's application, before determining if it will or will not grant its consent, the Franchisor shall have fourteen (14) days from receipt of the application within which to exercise a first option to purchase the Franchised Business on its ownor on behalf of a prospective franchisee or other third party, in which case, such Franchisee or third party shall become the direct purchaser of the Franchised Business upon the same terms as set out in the offer relating to the proposed Transfer, except the Franchisor shall be entitled to deduct from any purchase price an amount equal to the amount referred to in Section 17.4(c)(vii) hereof and the amount of any sales or other commissions which would have been payable had the Franchisee completed theTransfer with the Recipient. If the Franchisor does not notify the Franchisee

of its exercise of such option within the said fourteen (14) day period, the option shall be deemed not to be exercised. The parties will execute all documents that are customaryfor transactions of a similar nature.

c. If the Franchisor does not exercise its option to purchase, the Franchisor shall then determine whether or not it will consent to the Transfer requested by the Franchisee. Ifthe Franchisor is to consider consenting to the Transfer, such consent shall only be given if all conditions and procedures imposed by the Franchisor relating to Transfer in this Agreement, the Manual or otherwise are complied with in full. Without limiting any other conditions which the Franchisor may impose as a requirement for giving any approval for any Transfer (otherthan for financing purposes in accordance with Section 17.5), the Franchisee must comply with the following conditions all of which conditions shall be deemed and arehereby acknowledged by the Franchisee to be reasonable:

   i. Franchisee must be in full compliance with the obligations of this Agreement;

   ii. prior to the completion of the Transfer, the Recipient shall, as and when requested, personally meet one or more times with the Franchisor at the Franchisor's principal business office and be accepted by the Franchisor as being a Person compatible with the Franchisor and its staff and able to work within the Franchisor's System;

   iii. the Recipient must at the Recipient's expense, take such training in the operations of the Franchisor's System as may be required by the Franchisor at such School as it may so designate. Prior to commencing such training, all conditions on completing the Transfer imposed by the Recipient shall have beenwaived and the Recipient must execute such form of agreements and documents as may be required by the Franchisor;

   iv. neither the Recipient or any immediate family member of the Recipient (including the principals thereof), including his/her spouse, may have any direct or indirect ownership interest of any kind in a business similar to or incompetition with any business of the Franchisor;

   v. the Recipient shall have, at Franchisor's option, either (A) executed a new Franchise Agreement with Franchisor under the then-current terms being offered by Franchisor, which may differ from this Agreement; or (B) entered into a written assignment, for the assignment of this Agreement, and shall have executed such other documents and agreements as are then customarily used by the Franchisor in the granting of franchises, provided that the term of such agreement including any renewal period shall not exceed the Term and any renewals of this Agreement;

vi. written confirmation evidencing the satisfaction and consent of any obligations of any lenders of the Franchisee in respect of the Transferee;

vii. the Transfer shall comply with all conditions of the Lease, including if required, obtaining the approval of the Landlord and the cost of determining any such approval shall be paid by the Franchisee and/or the Recipient;

viii. in the event the Franchisor consents to the Transfer and the Transfer is completed, the Franchisee shall pay to the Franchisor a transfer fee in the amount of Fifteen Thousand Dollars ($15,000) which shall be used to cover Franchisor's legal fees and other costs and expenses incurred by the Franchisor incident to the request for and completion of the Transfer including without limitation Franchisor's costs related to training the Recipient; in the event that a Transfer is not approved or completed, the Franchisee is nonetheless obligated to pay the Franchisor's actual costs incurred in connection with the Transfer application;

ix. The Franchisee or the Recipient must agree to pay any financial obligations owing by Franchisee under the Lease or any sublease with Franchisor prior to completion of the Transfer.

x. the Franchisee shall have discharged all of its obligations to the Franchisor, the Landlord, trade creditors, government authorities or any other Persons with respect to the Business, and accordingly, the Franchisee shall deposit with the Franchisor as security to meet any outstanding obligations, the amount of Twenty Thousand Dollars ($20,000) for a period of sixty (60) days following closing;

xi. the Franchisee shall deliver a general release in such form as is required by the Franchisor, releasing the Franchisor and others designated by it from any claims arising out of the Franchised Business and this Agreement;

xii. the Recipient shall provide such personal guarantees or other assurances as the Franchisor may require, guaranteeing the obligations of the Recipient;

xiii. any Transfer must be of all and not a portion of the Business, subject to Franchisor approval, acting reasonability;

xiv. prior or subsequent to completion of the Transfer, the Purchaser and/or the Franchisee shall carry out such renovations to the Premises and the Improvements as the Franchisor may require, said renovations and Improvements likely involving a significant capital expenditure;

xv. prior to completion of the Transfer, the Franchisee shall cancel all registrationsevidencing that the Franchisee carried on the Franchised Business as a franchisee of the Franchisor;

xvi. the proposed date of completion of the Transfer must be approved of by the Franchisor;

xvii. the Recipient providing, to the satisfaction of the Franchisor, evidence of the Recipient's satisfactory financial capabilities and financing, together with a business plan indicating that the Recipient possesses the required level of business experience and acumen necessary in the operation of the Business; and

xviii. the purchase price to be paid to the Franchisee by the Recipient, or if applicable,the proposed encumbrance and debt associated therewith is reasonable in the circumstances having regard to the debt and interest charges being acquired oralready in existence.

d. The Franchisee and the Franchisee's agent(s), in seeking an assignee for the Franchise,are not permitted to publicly use the Trademarks except with the prior written authorization of the Franchisor. Without limiting the application of this subsection, theFranchisee is not permitted to display the Franchisor's tradename and logo on the Multiple Listing Service.

17.5. Indebtedness and Security to a Third Party

a. Except as hereinafter provided, the Franchisee shall not incur any indebtedness nor grant a security interest without the prior written consent of the Franchisor, which consent may be arbitrarily or unreasonably withheld, as the Franchisee agrees that its sole business activity is to be ownership and operation of the School, and that any otheractive or passive business interests, or indebtedness, are inconsistent with this sole business activity. Notwithstanding the foregoing, the Franchisee shall be entitled to incur indebtedness and grant a security interest without the Franchisor's consent, if:

i. the only purpose of the indebtedness and the giving of the security interest is toobtain financing for the Business;

ii. the giving of the security interest shall be subject to prior compliance as decided by the Franchisor and with all provisions respecting the giving of security of the assets of the Franchised Business as set out in the Lease provided that in no event shall the Franchisee effect any security interest of the Franchisee's interest in the Lease;

iii. the security interest shall not include any rights whatsoever respecting the Trademarks or the use thereof; and

iv. the Franchisee gives ten (10) days prior written notice to the Franchisor that the Franchisee intends to incur such indebtedness and give a security interest and ifrequested by the Franchisor, the Franchisee shall deliver copies of all documentation to be executed by the Franchisee within three (3) days of such request. In no event shall the Franchisee use the assets of the Franchised Business or the Franchisee's interest in this Agreement in any manner to secure borrowings fora purpose other than financing and operating the Business.

17.6. **Security to the Franchisor** - To secure payment and performance of any and all obligations from time to time owing by the Franchisee to the Franchisor, including payment of any amount owing by the Franchisee to the Franchisor in respect of royalties, and goodsfrom time to time purchased by the Franchisee, the Franchisee covenants and agrees to provide from time to time, a security interest or interests by a security agreement,substantially in the form attached hereto as Schedule "C", in such of the inventory, equipment, Improvements and other assets of the Franchised Business and in such amount or amountsand upon such terms as the Franchisor, in its absolute discretion, determines advisable. Failure to provide such security within ten (10) days following the receipt by the Franchisee of a written request therefore, specifying the nature and extent of the security required, shall be deemed to be a material default under this Agreement.

17.7. **Transfer by Franchisor** - The Franchisor will have the right to transfer or assign all or any part of its rights or obligations under this Agreement to any Person or legal entity. In such event, to the extent that the purchaser or assignee shall assume the obligations of the Franchisor under this Agreement, the Franchisor shall without further agreement, be freedand relieved of all liability with respect to such obligations.

SECTION 18 - GENERAL PROVISIONS

18.1. **Franchisee's Independent Investigation** - The Franchisee expressly acknowledges that he/she is entering into this Agreement after having made an independent investigation of the Franchisor's operations and the Franchised Business and is not relying upon any representation asto the profits and/or sales volumes that the Franchisee might be expected to realize, nor upon any other statement, promise or representation whatsoever which is not contained inthis Agreement. The Franchisee has had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement by a lawyer or professional advisorof his, her or its own choosing.

18.2. **Joint and Several** - If any of the parties hereto are comprised of more than one Person, theobligations of each Person under this Agreement shall be joint and several.

18.3. **Personal Guarantees** – All Owners of Franchisee will at all times be individually

bound by this Agreement to a maximum amount and as reflected by the guarantee signed and attached as Schedule "D".

18.4. **Invalidity** - If for any reason any provision of this Agreement shall be declared invalid orunenforceable, all other provisions hereof shall not be affected thereby and each provisionof this Agreement shall be separately valid and enforceable, provided if any material provision of this Agreement shall be declared invalid or unenforceable, the Franchisor reserves the right to terminate this Agreement.

18.5. **Notice** - Any notice or other communication required or permitted to be given under this Agreement shall be in writing, and shall be delivered by electronic mail, personally, by commercial overnight delivery services or mailed by certified or registered mail, postage prepaid, to the said parties as follows:

To the Franchisor at:
27 Glenbrook Circle
Gilberts, IL 60136
Attention: Murtaza Hasan
Email: murtaza@avmsfranchiseusa.com

To the Franchisee at:
_____
_____
Attention: _____
Email: _____

any notice or other communication, if mailed, shall be deemed to have been given on the third business day (except Saturdays and Sundays) following mailing, or if sent by commercial overnight delivery service, the next business day, if delivered personally, or by electronic mail, shall be deemed to have been given on the day of delivery,if a business day, or if not a business day, on the business day next following the day of delivery. If there is more than one Franchisee, any notice or other communication may begiven by or to anyone thereof and shall have the same force and effect as if given by or toall thereof. Notwithstanding the foregoing, in the event of any mail strike or other postal interruption, any delivery must be made personally or by electronic mail or fax. Further, for the purposes of this Agreement, delivery of any notice or other communication made to any employee, officer, director, shareholder, manager, member or other representative or agent of the Franchisee at the address of the Franchisee set out above or at the Premises, shall be deemedto constitute valid, personal delivery to the Franchisee. Any change of address shall not beeffective until written notice of such change is communicated to the other party.

18.6. **Time of the Essence** - Time shall be of the essence of this Agreement and every part hereof.

18.7. **Construction** - All references in this Agreement to the singular shall where

applicable include the plural and the use of the neuter or male or female pronoun to refer to any partyhereto shall be deemed proper even though such party may be an individual (male or female), an entity or a group of two or more thereof. Headings precedingthe text are for convenience of reference only and do not affect the meaning thereof. The words, "hereof", "herein", "hereunder" and similar expressions used in this Agreement relate to the whole of the Agreement and not any particular section or subsection, unless otherwise expressly provided or the context clearly indicates to the contrary.

18.8. **Waiver** - The waiver by the Franchisor of any breach of any provision of this Agreement shall not be deemed to be a waiver unless expressly set forth in writing by the Franchisor.No failure of the Franchisor to exercise any right to demand exact compliance and no custom or practice by the Franchisor at variance with the provisions of this Agreement shall constitute a waiver of the Franchisor's right to demand exact compliance.

18.9. **Set-off by Franchisor** - Upon the failure of the Franchisee to pay any amounts of money due and owing pursuant to this Agreement, the Franchisor shall have the right at its election, to deduct any amounts remaining unpaid from any monies or credits held by the Franchisor for the account of the Franchisee.

18.10. **Lawful Attorney** - Notwithstanding anything otherwise contained in this Agreement, if the Franchisee does not execute and deliver any documents or other assurances so requiredof him pursuant to this Agreement and/or if the Franchisor takes over the management or operation of the Franchised Business on behalf of the Franchisee as provided by this Agreement, the Franchisee hereby irrevocably appoints the Franchisor as the Franchisee's lawful attorneywith full power and authority, to execute and deliver in the name of the Franchisee any such documents and assurances, and/or to manage or operate the Franchised Business on behalf of theFranchisee, and/or to do all other acts and things, all in such discretion as the Franchisor may desire, and the Franchisee hereby agrees to ratify and confirm all acts of the Franchisor as his lawful attorney and to indemnify and save the Franchisor harmless from all claims, liabilities, losses, or damages suffered in so doing.

18.11. **Further Assurances** - The parties hereto shall execute and deliver such further documentsand assurances and do such things as otherwise may be required to give full effect to the provisions of this Agreement.

18.12. **Acknowledgments** - The Franchisee acknowledges and agrees as follows:

a. the Franchisor has not made or given any representations, warranties, promises commitments, covenants, or guarantees (oral or written) respecting the subject matter of this Agreement, except as expressly stated in this Agreement or in the Franchisor's disclosure document (if any);

b. without limiting the generality of subsection (a) above, the Franchisor has not made orgiven any representation, warranty, promise, commitment, covenant or guarantee (oralor written) with respect to sales or profits to be derived, or costs or expenses to be incurred by the Franchisee in connection with the Franchised Business or otherwise;

c. the decision of the Franchisee to operate the Franchised Business from the particular location of the Premises was made by the Franchisee;

d. the Franchisee has been advised by its own legal counsel as to the provisions of this Agreement and their meaning and understands all of such provisions and the effect thereof and has executed this Agreement of its own free will and volition.

e. in entering into this Agreement, the Franchisee is not relying upon any representations,warranties, promises, commitments, covenants or guarantees (oral or written) of the Franchisor.

18.13. **Entire Agreement** - This Agreement (including any schedules hereto), constitutes the entire agreement of the parties hereto and all prior negotiations, commitments, representations, warranties and undertakings made prior hereto (whether oral or written) are merged herein. There are no other inducements, representations, warranties, undertakings, agreements or promises, oral or otherwise, between the parties relating to thesubject matter hereof. No subsequent amendment, change or addition to this Agreement orany schedules shall be binding upon the parties hereto unless same shall be in writing andsigned by the Franchisor.

18.14. **Inurement** - This Agreement shall inure to the benefit of and be binding upon the Franchisor and its successors and assigns and shall be personally binding upon the Franchisee and his heirs, executors, administrators, successors and assigns.

18.15. **No Limitation** - Nothing contained herein shall alter, impair or limit the rights of the Franchisor under the terms of any other related or ancillary agreement entered into by the parties hereto.

18.16. **Receipt of Disclosure** - The Franchisee acknowledges and confirms having received (as one document, and at one time) the Franchisor's Franchise Disclosure Document not less than fourteen (14) days before the earlier of:

a. the signing by the Franchisee of this Agreement or any other agreement relating to thefranchise; and

b. the payment of any consideration by or on behalf of the Franchisee to the Franchisoror the Franchisor's associates, relating to the franchise.

SECTION 19 – ENFORCEMENT; DISPUTE RESOLUTION

19.1 **Governing Law; Consent to Jurisdiction** - Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et sea.) or any other applicable federal law, this Agreement will be governed by the laws of the state of Illinois, except that the provisions of any franchise law of such state shall not apply unless the jurisdictional requirements of said law have been met independently of this provision.

You agree that we may institute any action against you arising out of or relating to this Agreement in any state or federal court of general jurisdiction over the county of our then current principal place of business, and you (and your Owners) irrevocably submit to the exclusive jurisdiction of such court and waive any objection you may have to either the jurisdiction or venue of such court. You agree to the exclusive jurisdiction of such courts and agree not to sue us regarding any matter relating in any way to this Agreement except in such courts.

19.2 **Specific Performance; Injunctive Relief.** Provided we give you the appropriate notice, we will be entitled, without being required to post a bond, to seek the entry of temporary and permanent injunctions and orders of specific performance to: (i) enforce the provisions of this Agreement relating to your use of the Trademarks and copyrighted materials or your non-disclosure of Confidential Information and non-competition obligations under this Agreement; (ii) prohibit any act or omission by you that constitutes a violation of any applicable law, ordinance or regulation, constitutes a danger to the public, or may impair the goodwill associated with the Trademarks or the Angus Valley Montessori franchises or (iii) prevent any other irreparable harm to our interests. If we obtain an injunction or order of specific performance, you agree to pay us an amount equal to the total of our costs of obtaining it, including, without limitation, reasonable attorneys', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses and travel and living expenses, and any damages we incur as a result of the breach of any such provision. You further agree to waive any claims for damage in the event there is a later determination that an injunction or specific performance order was issued improperly.

19.3 **Remedies are Cumulative** - The mention in this Agreement of any particular remedy of the Franchisor in respect of any default by the Franchisee shall not prevent the Franchisor from exercising any other remedy in respect thereof, whether available at law or in equity or by statute or expressly provided for in this Agreement. No remedy shall be exclusive or dependent upon any other remedy, but the Franchisor may from time to time exercise any one or more of such remedies generally or in combination, such remedies being cumulative and not alternative.

19.4. **Waiver of Jury Trial.** Each party irrevocably waives trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either party.

19.5 **Limitations of Claims.** Any claim by you or your Owners concerning the Franchised Business or this Agreement or any related agreement will be barred unless an action for a claim is commenced within one (1) year from the date on which you or we knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim.

19.6 **Limitation of Damages.** Each party waives, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees as provided in Paragraph 18.J herein.

19.7 **Limitations on Action** - Notwithstanding anything contained in this Agreement and except as limited by applicable law, the Franchisee agrees that in the event of any actual or alleged failure, breach or default under this Agreement by the Franchisor:

a. the sole and exclusive remedy shall be against the entity then constituting the Franchisor;

b. no officer, manager, member, affiliate or employee of the Franchisor shall be sued or named as a party to any suit or action and no service of process shall be made against any of them except as may be necessary to secure jurisdiction of the Franchisor, nor shall any of them be required to answer or otherwise plead to any service or process;

c. no judgement shall be taken against any officer, director, shareholder, affiliate or employee of the Franchisor and if any judgment is so taken, such judgment may be vacated and set aside at any time;

d. no writ of execution shall ever be levied against the assets of any officer, director, shareholder or employee of the Franchisor or any assets of the Franchisor, other than as specified in subsection (a) above; and

e. these covenants and agreements are enforceable by the Franchisor and by any officer, director, shareholder or employee of the Franchisor and shall survive the expiration or termination of this Agreement for any reason.

19.8 **Costs and Attorneys' Fees.** If a claim for amounts owed by you to us or our Affiliate is asserted in any legal proceeding before a court of competent jurisdiction, or if you or we are required to enforce this Agreement in a judicial proceeding, the party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto on the dates below each signature.

FRANCHISOR:
ANGUS VALLEY
MONTESSORI
SCHOOLS USA LLC

By: _____
Name: _____
Title:_____

Date:_____

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____

Date: _____

SCHEDULE "A"

ACCEPTED LOCATION

ACCEPTED LOCATION

Pursuant to Section 2.2 of the Franchise Agreement, the School shall be located at the following Accepted Location:

_____

_____

TERRITORY

Pursuant to Section 2.3 of the Franchise Agreement, the Territory shall be:

_____

_____

_____

FRANCHISOR:
ANGUS VALLEY MONTESSORI SCHOOLS USA LLC

By: _____
Name: _____
Title: _____

Date: _____

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____

Date: _____

SCHEDULE "B"

COLLATERAL ASSIGNMENT OF LEASE

THIS AGREEMENT is by and between _____, a _____ organized under the laws of _____, referred to herein as "Franchisee" , and Angus Valley Montessori Schools USA LLC, a Delaware limited liability company, referred to herein as "Franchisor", and _____, a _____, herein referred to as "Landlord."

WHEREAS, Franchisee has entered in a Franchise Agreement (the "Agreement") with Franchisor for a franchise of the Franchisor located at _____ (the "Premises") on _____, 20____.

WHEREAS, Franchisee has entered into a Lease (the "Lease") for the Premises with the Landlord on _____, 20___.

NOW THEREFORE the parties for good and value consideration received, the sufficiency of which is recognized by all of the parties agree as follows:

1. OPTION TO ASSUME

Notwithstanding anything to the contrary contained in the Lease, it is expressly understood and agreed that if the Franchise Agreement is terminated or expires for any reason whatsoever, the Franchisee's rights in the Lease shall, at the option of the Franchisor, be automatically transferred and assigned to Franchisor or its designee (in either case, the "Transferee"). The Landlord and the Franchisee, for good and valuable consideration, hereby grant such option (the "Option") to the Franchisor. The Option may be exercised by the Franchisor by giving the Landlord notice in writing of its exercise of the Option within thirty (30) days following the termination or expiration of the Franchise Agreement. The Franchisee acknowledges and agrees that the Landlord may rely upon such notice and shall not be required to inquire into the due execution thereof or the accuracy of the statements set forth therein. It is further agreed that such notice shall, without further act or formality, operate as an effective assignment to the Transferee of the Franchisee's rights under the Lease and the assumption by the Transferee of the covenants therein required to be observed or performed by the Franchisee only from the date of such assigned, without any prior liability thereto and without the Franchisee having any further rights under the Lease. Notwithstanding the foregoing, the Transferee shall, forthwith upon the exercise of the Option, execute such documents evidencing its agreement to keep and perform or cause to be kept or performed all of the obligations of the Franchisee arising under this Lease from and after the time of the exercise of the Option. The Franchisee does hereby irrevocably appoint the Transferee as its agent and attorney to execute any and all documents, if any, on its behalf necessary to complete said assignment. The Transferee shall thereafter have the right to assign the Lease to such party as it may designate provided that in such event the Transferee shall remain liable for the due performance of all obligations of the new tenant for a period of one (1) year from the date of such assignment and shall thereafter be released from all obligations under the Lease.

2. REPORTS

The Franchisee hereby agrees that the Landlord may, upon the written request of the Franchisor, disclose to the Franchisor all reports, information or data in the Landlord's possession

respecting sales made in, upon or from the Premises.

3. DEFAULT

The Landlord shall give written notice to the Franchisor of any default by Franchisee under the Lease and the Franchisor may, in its sole option, within ten (10) business days of such notice or such longer period is reasonably required, cure the default of behalf of the Tenant, if capable of being cured. The Landlord shall also give written notice to the Franchisor of any termination of the Lease or notice of termination given by the Landlord, together with a copy thereof. The Franchisor may exercise a further option to have the Lease automatically transferred and assigned to it or a designee (also, an "Option") within thirty (30)days of receiving any and every such notice, or a notice of termination of the Lease, by giving the Landlord notice of its election to exercise the Option. In the event of any such assumption, the Franchisee shall cease to have any further rights under the Lease but shall remain fully liable and shall pay immediately to the Franchisor any and all costs or expenses, including without limitation any rental payments made to the Landlord or incurred by the Franchisor in order to cure any such default.

4. ACKNOWLEDGMENTS

The parties acknowledge that this Agreement includes a right on the part of the Franchisor, in the event of the termination of the Franchise Agreement or Lease for any reason whatsoever, to enter and secure the Premises and its contents, and itself or through an affiliate operate the business on an interim basis. The Landlord hereby acknowledges and agrees that such entry by the Franchisor shall not constitute a breach of the Lease nor shall it be deemed a taking of possession ofthe Premises or exercise an Option.

5. OTHER

5.1 All paragraph headings are inserted for convenience only and shall not affect any construction of interpretation of this Agreement.

5.2 This Agreement shall be governed by and interpreted in accordance with the laws of the state of Franchisor's principal place of business.

5.3 The parties hereby agree to do such things and sign and execute such other documents as may be necessary or desirable to carry out all of the provisions of this Agreement.

5.4 This Agreement shall be binding upon and enure to the benefit of the parties, their heirs, successors and permitted assigns. The Franchisee and the Landlord hereby agree that they shell not amend any of their existing respective rights or obligations to each other without the prior written consent of the Franchisor, which shall not be unreasonably withheld.

Franchisee:

_____

By: _____
Name: _____
Title: _____
Date: _____

Franchisor:
Angus Valley Montessori Schools USA LLC

By: _____
Name: _____
Title: _____
Date: _____

Landlord:
_____

By: _____
Name: _____
Title: _____
Date: _____

SCHEDULE "C"

SECURITY AGREEMENT

Angus Valley Montessori Schools LLC, a Delaware corporation, ("Secured Party"), and _____, a(n) _____ ("Franchisee/Debtor"), agree as follows:

1. Background.

Secured Party and Franchisee/Debtor are parties to a Franchise Agreement of even date (the "Franchise Agreement") pursuant to which, among other things, Franchisee/Debtor is obligated to pay, from time to time, certain sums to Secured Party. In order to induce Secured Party to enter into the Franchise Agreement, Franchisee/Debtor, among other things, is entering into this Security Agreement pursuant to which Franchisee/Debtor's payment and performance of all obligations under the Franchise Agreement are secured on the terms and conditions hereinafter provided for. Capitalized terms defined in the Franchise Agreement shall have the same meaning herein as therein.

2. Security Interest.

To secure the payment and performance by Franchisee/Debtor of all obligations and liabilities under the Franchise Agreement (such payment and performance of such obligations and liabilities collectively, "Obligations"), Franchisee/Debtor shall and hereby does grant, convey, assign and transfer to Secured Party, a security interest in and to the Franchise Agreement and all signs and other appurtenances and other property, real and personal, bearing any of the Proprietary Marks used at, located on or affixed to the Franchised Business operated by Franchisee/Debtor ("Angus Valley Montessori School"), and all equipment, fixtures, furnishings and improvements located at the Angus Valley Montessori School, whether now owned or hereafter acquired by Franchisee/Debtor (the "Collateral").

3. Default.

3.1. Definitions. The term "Event of Default" means the occurrence and continuation of any one (1) or more of the following events:

(a) any failure of Franchisee/Debtor promptly and faithfully to pay, observe and perform, when due, any of the Obligations;

(b) if Franchisee/Debtor becomes insolvent, commits an act of bankruptcy, files a voluntary petition in bankruptcy, or an involuntary petition in bankruptcy is filed, or a permanent or temporary receiver or trustee for the Angus Valley Montessori School, or all or substantially all of the Franchisee/Debtor's property, is appointed by any court and such appointment is not actively opposed through legal action, or Franchisee/Debtor makes an assignment or arrangement for the benefit of creditors, or calls a meeting of creditors, or Franchisee/Debtor makes a written statement to the effect that he or it is unable to pay his or its debts as they become due, or a levy of execution is made upon Franchisee/Debtor, or an attachment or lien outstanding with respect to the Angus Valley Montessori School for thirty (30) days, unless the attachment or lien is being duly contested in good faith by Franchisee/Debtor and Secured Party is advised in writing

(c) if Franchisee/Debtor loses possession or the right of possession of all or a significant part of the Angus Valley Montessori School through condemnation or casualty and the Angus Valley Montessori School is not relocated or reopened as required by the Franchise Agreement;

(d) if Franchisee/Debtor abandons, surrenders or transfers control of the operation of the Franchised Business without Secured Party's prior written consent; or

(e) if Franchisee/Debtor is a corporation, limited liability company, partnership, joint venture or other legal entity, any action is taken which purports to merge, consolidate, dissolve or liquidate Franchisee/Debtor without the prior written consent of Secured Party.

3.2. Remedies. Upon the occurrence of an Event of Default, all amounts payable to Secured Party shall become immediately due and payable and Secured Party shall have all the rights and remedies of a secured party under the Uniform Commercial Code as in effect in the state or states in which the Collateral may be located, including, but not limited to, the right to enter upon the Angus Valley Montessori School peaceably and remove all Collateral. Secured Party shall give Franchisee/Debtor reasonable notice of the time and place of any public or private sale or other intended disposition of all or any particular Collateral, as the case may be. Franchisee/Debtor agrees that the requirement of reasonable notice shall be met if notice is mailed to Franchisee/Debtor at its address first above written not less than five (5) business days prior to the sale or other disposition. Expenses of retaking, holding, preparing for sale, selling or the like, shall include, without limitation, Secured Party's reasonable attorneys' fees and other legal expenses. Secured Party's rights and remedies, whether pursuant hereto or pursuant to the Illinois Uniform Commercial Code or any other statute or rule of law conferring rights similar to those conferred by the Illinois Uniform Commercial Code, shall be cumulative and not alternative.

4. Notices. Any notice, request or other communication to either party by the other as provided for herein shall be given in writing and shall be deemed given on the date the same is (i) actually received or (ii) three (3) days after being mailed by certified or registered mail, return receipt requested, postage prepaid and addressed to the addresses first set forth below. The person and the place to which notices or copies of notices are to be mailed to either party may be changed from time to time by such party by written notice to the other party.

5. Applicable Law. This Agreement shall be governed by and interpreted under the laws of the State of Illinois, without regard to the principles of conflict of laws thereof.

6. Miscellaneous.

6.1. This Security Agreement shall inure to the benefit of, and shall be binding upon the respective successors, assigns, and legal representatives of the parties hereto.

6.2. The captions used herein are inserted for reference purposes only and shall not affect the interpretation or meaning of this Security Agreement.

6.3. Franchisee/Debtor hereby authorizes Secured Party, from time to time, to file financing statements in such form as may be necessary to perfect the security interest in the Collateral in any or all pertinent jurisdictions and in this regard, to execute said financing statements for itself (as secured party)

and for Franchisee/Debtor (as debtor), as Franchisee/Debtor's agent. Upon Secured Party's request, Franchisee/Debtor shall execute any such financing statement as debtor.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto on the dates below each signature.

SECURED PARTY: ANGUS VALLEY MONTESSORI SCHOOLS LLC	**FRANCHISEE/DEBTOR:**
By: _____ Name: _____ Title: _____	By: _____ Name: _____ Title: _____
Address for Notice: _____ _____	Address for Notice: _____ _____
Date: _____	Date: _____

SCHEDULE "D"
PERSONAL GUARANTEE

Representation

1. I/We represent and warrant that I am/we are all of the Owners of _____ (the "Franchisee").

Inducement

2. To induce Angus Valley Montessori Schools USA LLC ("Franchisor") to enter into the franchise agreement (the "Franchise Agreement") to which this personal guarantee forms a schedule, I/we have executed this guarantee and agree to be jointly, severally and unconditionally bound by all of its provisions, and individually guarantee the performance by the Franchisee of all its obligations under the Franchise Agreement.

Application of Franchise Agreement

3. I/We further agree that I am/we are personally subject to all of the covenants, conditions and obligations contained in the Franchise Agreement.

Waiver of Notice

4. I/We waive demand, notice of dishonor, non-payment and all other notices whatsoever and agree to pay all expenses incurred by the Franchisor in attempting to enforce this guarantee and the Franchise Agreement against both the Franchisee and me/us, including reasonable legal expenses.

No Requirement to Exhaust Recourse

5. I/We agree that the Franchisor will not be required to exhaust its recourse against the Franchisee or others or resort to or marshal any security it may hold before being entitled to payment from me/us.

Extensions, etc.

6. The Franchisor may grant extensions of time and other indulgences, take or give up securities, accept compositions, grant releases and discharges and otherwisedeal with the Franchisee and others as it sees fit without prejudice to my/our liability underthis guarantee.

Primary Obligation

7. My/Our obligations under this guarantee are and will be absolute and unconditional. If any monies or amounts expressed to be owing or payable by me/us are not recoverable from me/us on the basis of a guarantee, then such monies or amounts will be recoverable from me/us in the same manner and to the same extent as if I was/we were primary obligor(s)

and principal debtor(s) in respect of such monies or amounts, and as if I was/we were original signatory(ies) to the Franchise Agreement.

8. This personal guarantee is signed, sealed and delivered by the undersigned on the date below each signature.

GUARANTOR(S)	% OF INTEREST IN FRANCHISEE
_____ Signature Print Name: _____ Address: _____ Date: _____	_____
_____ Signature Print Name: _____ Address: _____ Date: _____	_____
_____ Signature Print Name: _____ Address: _____ Date: _____	_____
_____ Signature Print Name: _____ Address: _____ Date: _____	_____ (Total must = 100%)

SCHEDULE "E"

ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

As a duly authorized signer on the financial institution account identified below of the undersigned Franchisee, I authorize Angus Valley Montessori Schools USA LLC ("Company") to initiate monthly electronic fund transfer debits from the account for payments due or when applicable, apply electronic funds transfer credits to the same. Said debits may be for Royalty Fees, Brand Development Fund contributions, technology fees, interest, late fees, and any other amounts Franchisee owes to the Company or its affiliates pursuant to the Franchise Agreement between Franchisee and Company, and in amounts required by the Franchise Agreement. The dollar amount to be debited for each transfer will vary.

Currently, Angus Valley Montessori Schools USA LLC is initiating monthly debits on the 3rd day of every calendar month for payment of the Royalty Fee, Brand Development Fund contributions, technology fees, interest, late fees, and any other amounts then due, unless that day falls on a holiday, in which case the debit will be initiated the following business day. The dates and intervals for initiating debits for amounts due under the Franchise Agreement may be changed upon delivery of notice to Franchisee.

If any such electronic debit(s) should be returned by my financial institution as unpaid (Non-Sufficient or Uncollected Funds), I understand that Angus Valley Montessori Schools LLC shall be entitled to collect interest and late fees as provided in the Franchise Agreement, and to debit same from this account once there are sufficient funds to cover it.

This authorization is to remain in full force and effect until Company has received written notification of its termination in such time and in such manner as to afford Company a reasonable opportunity to act on it, and to obtain a replacement Electronic Funds Transfer Authorization from Franchisee for a replacement account. Any such notice should be sent to the following address:

ANGUS VALLEY MONTESSORI SCHOOLS LLC
Attn: Murtaza Hasan
27 Glenbrook Circle
Gilberts, Illinois 60136

Franchisee is responsible for, and shall pay on demand, all costs or fee charged by the financial institution holding the account relating to the handling of debits pursuant to this authorization. Franchisee and the authorized signatory understand and authorize all of the above.

FRANCHISEE: _____

AUTHORIZING SIGNATURE: _____

PRINT NAME AND TITLE: _____

DATE: _____

BUSINESS ADDRESS: _____

Financial Institution Account Identifying Information:

Enter financial institution account information in the fields below or attach a voided check.

Financial Institution:	**Branch:**
City:	**State & Zip Code:**
Transit / ABA # (Routing #):	**Account #:**

Exhibit D

FINANCIAL STATEMENTS

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

ANGUS VALLEY MONTESSORI

SCHOOLS USA, LLC

FINANCIAL STATEMENTS

WITH ACCOUNTANT'S COMPILATION REPORT

DECEMBER 31, 2024

ANGUS VALLEY MONTESSORI
SCHOOLS USA, LLC

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Accountants Compilation Report

To the Members
Angus Valley Montessori Schools USA, LLC
North Miami Beach, FL 33162

Management is responsible for the accompanying financial statements of Angus Valley Montessori Schools USA, LLC (a limited liability company), which comprise the balance sheet as of December 31, 2024, and the related statements of operations, members' equity, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Kezos & Dunlavy

St. George, Utah
March 4, 2025

ANGUS VALLEY MONTESSORI SCHOOLS USA LLC

BALANCE SHEET

AS OF DECEMBER 31, 2024

	2024
Assets	
Current assets	
Cash and cash equivalents	$ 5,001
Total current assets	5,001
Total assets	$ 5,001
Liabilities and Members' Equity	
Liabilities	
Accounts payable	5,044
Related party note payable	25,893
Total liabilities	$ 30,937
Members' equity	(25,936)
Total liabilties and members' equity	$ 5,001

The accompanying notes to the financial statements are integral part of these financial statements

ANGUS VALLEY MONTESSORI SCHOOLS USA LLC
STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY
For the Year Ended December 31, 2024

	2024
Operating revenues	$ -
Selling, general & adminstrative expense	25,936
Net loss	$ (25,936)
Beginning members' equity	$ -
Net loss	(25,936)
Ending members' equity	$ (25,936)

The accompanying notes to the financial statements are integral part of these financial statements

ANGUS VALLEY MONTESSORI SCHOOLS USA LLC

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024

	2024
Net loss	$ (25,936)
Cash flows from operating activities:	
Accounts payable	5,044
Related party note payable	25,893
Cash flows provided by operating activities	30,937
Net change in cash and cash equivalents	5,001
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	$ 5,001
Supplemental disclosures of cash flow	
Cash paid for interest and taxes	$ -

The accompanying notes to the financial statements are integral part of these financial statements

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Angus Valley Montessori Schools USA, LLC (the "Company") was organized in the State of Delaware on January 22, 2024, as a limited liability company. The Company is a franchisor of Montessori concept early childhood education schools throughout the United States. The Company provides materials, training, curriculum guidelines, marketing services for its franchisees, and performs real estate site development.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year. The members' liability is generally limited to their equity contributions.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2024, the Company had cash and cash equivalents of $5,001.

(e) Income Taxes

The Company is structured as a limited liability company under the laws of the state of Delaware. Accordingly, the income or loss of the Company will be included in the income tax returns of the members. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under ASC Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2024, no tax years were subject to examination.

(f) Advertising Cost

The Company expenses advertising costs as incurred. Advertising expenses for the period ended December 31, 2024, were $0.

(g) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents and accounts payable, the carrying amounts approximate fair value due to their short maturities.

(h) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Related party note payable

During the period from the date of formation to December 31, 2024, Angus Valley Montessori Schools Inc. ("AVMS Inc."), a company under common control, paid expenses on behalf of and provided initial cash to the Company for which the Company owes AVMS Inc. $25,893 as of December 31, 2024.

(3) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is “probable” and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is “probable” but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is “reasonably possible,” disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are “remote” are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(4) Subsequent Events

Management has reviewed and evaluated subsequent events through March 4, 2025, the date on which the financial statements were issued.

Exhibit E

TABLE OF CONTENTS OF OPERATIONS MANUAL

OPERATIONAL **MANUAL**
TABLE OF CONTENTS

ANGUS VALLEY
MONTESSORI SCHOOLS USA LLC
learn. grow. achieve.

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Please note that some instructions in this manual may vary according to your location.

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Please note that some instructions in this manual may vary according to your location.

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MONTESSORI SCHOOLS USA LLC
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Exhibit F

LISTS OF CURRENT AND FORMER FRANCHISEES

Current Franchisees*

None

Former Franchisees*

None

*We are offering franchises for the first time under this Franchise Disclosure Document.

Exhibit G

STATE ADDENDUM

Some administrators of franchise regulations states may require us to enter into an addendum to the Disclosure Document and/or the Franchise Agreement describing certain state laws or regulations which may supersede the Disclosure Document or Franchise Agreement. If you are in a registration state which requires an addendum, it will be found in this exhibit.

ANGUS VALLEY MONTESSORI SCHOOLS USA LLC
ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

The Franchise Disclosure Document of Angus Valley Montessori Schools LLC for use in the State of Illinois is modified in accordance with the following:

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisee's rights upon Termination and Non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

Franchisor has posted a Surety Bond with the Office of the Illinois Attorney General. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

ANGUS VALLEY MONTESSORI SCHOOLS USA LLC
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS

This Addendum is to a Franchise Agreement between Angus Valley Montessori Schools LLC and _____ (Franchisee) executed simultaneously with this Addendum to amend said Agreement as follows:

1. Illinois law shall apply to and govern the Franchise Agreement.

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. Franchisee's rights upon Termination and Non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum and understands and agrees to be bound by all of its terms as of the dates below.

FRANCHISOR:	**FRANCHISEE:**
ANGUS VALLEY MONTESSORI SCHOOLS USA LLC	_____
A Delaware limited liability company	A _____
By:_____	By: _____
Title:_____	Title: _____
Date: _____	Date: _____

or if Franchisee is not an entity at time of signing:

_____
Franchisee

Date: _____

_____
Franchisee

Date: _____

State Effective Dates

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

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

State	Effective Date
California	Not registered
Hawaii	Not registered
Illinois	
Indiana	Not registered
Maryland	Not registered
Michigan	Not registered
Minnesota	Not registered
New York	Not registered
North Dakota	Not registered
Rhode Island	Not registered
South Dakota	Not registered
Virginia	Not registered
Washington	Not registered
Wisconsin	Not registered

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

COPY FOR YOU

RECEIPT

THIS DISCLOSURE DOCUMENT SUMMARIZED PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

If we offer you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding Agreement with, or make a payment to us or an affiliate in connection with the proposed franchise sale.

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal 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 in Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: Murtaza Hasan and Sunil Bhardwaj, 27 Glenbrook Circle, Gilberts, Illinois 60136, 224-629-1399

Issuance date: March 7, 2025
See Exhibit A for our registered agents authorized to receive service of process.

I have received the Angus Valley Montessori Schools USA LLC Franchise Disclosure Document issued on March 7, 2025. This disclosure document included the following exhibits:

A. List of State Agencies/Agents for Service of Process
B. Deposit Agreement
C. Franchise Agreement
D. Financial Statements
E. Table of Contents of Operations Manual
F. Lists of Current and Former Franchisees
G. State Addendum (if applicable)

Date:_____

_____
Individually or as an officer or member/manager of

_____

a (_____) corporation

or (_____) limited liability company

COPY FOR FRANCHISOR

RECEIPT

THIS DISCLOSURE DOCUMENT SUMMARIZED PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

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F. Lists of Current and Former Franchisees
G. State Addendum (if applicable)

Date:_____ _____

Individually or as an officer or member/manager of

_____

a (_____) corporation

or (_____) limited liability company