

Franchise Disclosure Document

Steamoji America Services, Inc.
16630 Redmond Way
Redmond, WA,
United States 98052
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www.steamoji.com



As a Steamoji franchisee, you will operate an educational facility or “academy” for children between the ages of 6 to 15 that helps to train future builders, makers, inventors, and entrepreneurs in the disciplines of science, technology, engineering, arts and math (referred to as “STEAM”) utilizing the Steamoji system.

The initial investment necessary to begin operation of a Steamoji franchise ranges from \$196,363 to \$487,213. This includes \$46,000 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosure in different formats, contact Henry Horkoff at (425) 242-0350.

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

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

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

Issuance Date: March 4, 2024

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 <u>Exhibit I</u> .
How much will I need to invest?	Item 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 <u>Exhibit E</u> 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 STEAMOJI 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?	Item 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a STEAMOJI franchisee?	Item 20 or <u>Exhibit I</u> 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 the 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* Franchisee

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 arbitration only in Seattle, Washington. Out-of-State arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in Seattle, Washington than in your own state.
2. **Minimum Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
3. **Licensed Trademark.** A primary trademark that you will use in your business is licensed by the franchisor and is subject to termination by the trademark holder under various circumstances which may be outside your control. If the franchisor's right to use this trademark in your area is terminated, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expansive and may reduce brand recognition of the products or services you offer.
4. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history

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

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Exhibits

- A. LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS
- B. FRANCHISE AGREEMENT
- C-1 NON-DISCLOSURE AGREEMENT (INDIVIDUAL)
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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

Definitions

To simplify this disclosure document, “we” or “us” means Steamoji America Services, Inc., the franchisor. “You” means the person, corporation, limited liability company, partnership or other entity that buys the franchise under the terms of the license agreement that is attached as Exhibit B to this disclosure document (which we refer to throughout this disclosure document as the “Franchise Agreement”). If the franchisee is a corporation, limited liability company, partnership or other entity, “you” may also mean its owners. All dollar amounts in this disclosure document are United States dollars.

The Franchisor

We are a Delaware corporation incorporated on May 5, 2021. Our principal place of business is 16630 Redmond Way, Suite 110, Redmond, Washington, United States 98052. Our phone number is (425) 242-0350. Our internet domain is www.steamoji.com. We conduct business under our corporate name and the names “Steamoji” and “Steamoji Academy” pursuant to a license from our parent company, Steamoji, Inc. We have never owned and operated a business of the type being franchised under this disclosure document. We began offering Steamoji franchises in the United States on March 31, 2022. We do not offer any other franchises in any other lines of business. We have no prior business activities and no current business activities other than as stated above. Our agents for service of process are disclosed in Exhibit A to this disclosure document.

Our Parents, Predecessors and Affiliates

We are a wholly-owned subsidiary of Steamoji, Inc. (“Parent”). Parent is a Delaware corporation, incorporated on August 13, 2019, and operates at 16630 Redmond Way Suite 110, Redmond, Washington, United States 98052. Our Parent has never owned and operated a business of the type being franchised under this disclosure document. Our Parent is the owner of the Steamoji system, methodologies and marks and it licenses them to us and our affiliates. It does not operate any other businesses or offer franchises in any lines of business, but it may in the future.

We do not have any predecessors.

Steamoji Redmond LLC is our affiliate. It is a Washington limited liability company formed on January 18, 2022 and operates at 16630 Redmond Way, Suite 110, Redmond, WA, United States 98052. Since January 2022, it has owned and operated a business of the type being offered under this disclosure document in Redmond, Washington, USA. It does not operate any other businesses or offer franchises in any line of business, but it may in the future.

Steamoji Kerrisdale Learning Services Inc. is our affiliate. It is a British Columbia corporation formed on May 31, 2021 and operates at 5465 West Boulevard, Vancouver, British Columbia, V6M 3W5. From October 2021 it has owned and operated a business of the type being offered under this disclosure document in Vancouver, British Columbia, Canada, but intends to sell the business to a franchisee on or around March 15, 2024. It does not operate any other businesses or offer franchises in any line of business, but it may in the future.

Steamoji Canada Services Inc. is our affiliate. It is a British Columbia corporation incorporated on January 18, 2021 and operates at 1000 - 595 Burrard Street, Vancouver, BC, V7X 1S8. Since March 2020, it has offered franchises of the type being offered under this disclosure document in Canada. As of the date of this disclosure document, it has sold 28 Steamoji franchises. It does not operate any other businesses or offer franchises in any other line of business, but it may in the future.

Our Business Experience

We have entered into an arrangement with our Parent for the right to sell franchises that will use the Steamoji system, methodologies and marks. We started offering these franchises on March 31, 2022. As of the date of this disclosure document, we have sold 1 Steamoji franchise. We do not operate, and have not operated, any other businesses, but we may in the future. We do not offer, and have not offered, franchises in any other line of business, but we may in the future.

The Franchise

We offer franchises for the right to establish and operate a Steamoji Academy within a designated territory (the “Franchised Business”) using the Steamoji proprietary system (the “Steamoji System”) and teaching methodologies (the “Steamoji Methodologies”). If we grant you the right to open a Franchised Business, you must sign our Franchise Agreement. Your Franchised Business will train future builders, makers, inventors, and entrepreneurs in the disciplines of science, technology, engineering, arts and math (“STEAM”). Each Franchised Business operates under the name Steamoji and other marks we designate (“Marks”). Your Franchised Business will offer STEAM classes to children between the ages of 6 to 15. You may sell certain approved products from your Franchised Business.

You must operate your Franchised Business from a facility that we approve (the “Academy”). Your Academy must be located in your designated territory at a location that is acceptable to us. You must adhere to the Steamoji System regardless of the size or number of Academies you operate.

Technological change is accelerating. Many parents feel that traditional schools will not adequately prepare their children for the careers of the future. This feeling is particularly acute for parents currently working in the science, technology, engineering, arts and math fields, as they see a disconnect between skills that are needed and what their children learn in traditional public elementary and high schools. Public elementary and high schools are often constrained by slow changing standards school board requirements, existing infrastructure, and available teaching

personnel. If elementary and high school teachers in the public-school system are exposing children to STEAM topics, they can only do so in a restricted, sampling fashion.

Steamoji aims to fill this gap by producing a structured and reinforcing project curriculum designed to provide 400 hours of student activity. The curriculum is designed to fill the gap that might not be provided in traditional public schools. Students are taught basic skills, then encouraged practically apply them in the spirit of “Build to Solve”. We believe that children who are enrolled in Steamoji Academies will be ahead of the curve by gaining essential skills for the 21st century workplace while learning how to tackle their generation’s global challenges.

In addition to our unique mission and curriculum, every Academy utilizes a distinctive trade dress, design elements, graphic standards and color schemes, together with image identification and the Steamoji trademarks.

If the location being licensed to you already exists and is owned by us, or our affiliate, the grant will also involve the sale of assets, equipment, and inventory of the existing corporate location. This sale will be done by way of a separate, standalone purchase and sale agreement. It is conceivable that separately incorporated “corporate locations” may be the subject of a share sale and not an asset sale. This depends on the circumstances.

We require you to sign a Non-Disclosure Agreement in one of the forms attached to this disclosure document as Exhibit C-1 or Exhibit C-2 before engaging in discussions with us regarding a Franchised Business. The form at Exhibit C-1 is to be signed if you are an individual. The form at Exhibit C-2 is to be signed if you are a business entity.

Competition and Market

The market for enrichment learning programs and services is highly competitive. Your competitors include other enrichment education programs, including national or regional learning center chains, public and private schools and other similar academic institutions, and independently owned and operated businesses located in your designated territory that offer programs and services similar to those offered by a Franchised Business.

Although some primary and secondary schools throughout the country have moved to a year-round school year, the majority of these schools continue to operate on a traditional model in which students are released for a summer vacation period of two to three months. This and other traditional vacation time periods may cause seasonable variability in the demand for your services.

We believe that the market for a STEAM enrichment program is developing.

Laws

You must comply with all laws, rules and regulations governing the development and operation of your Franchised Business (including the Americans with Disabilities Act), and obtain all permits and licenses necessary to operate your Franchised Business. In addition to the laws and regulations that apply to businesses generally, the operation of your Franchised Business will

be subject to laws and regulations governing enrichment learning programs. For example, some states may have laws or regulations governing the certification of instructors employed at your Franchised Business and some states may have laws requiring background checks for persons working with vulnerable individuals, such as children. You will also be subject to the federal Children's Online Privacy Protection Act. It is your sole responsibility to obtain and keep in force all necessary licenses and permits required by public authorities. It is your responsibility to investigate the laws and other regulations that may be applicable to your Franchised Business before you sign the Franchise Agreement. You should also investigate local zoning rules because they may limit where you can locate the Franchised Business and may affect design features, including the building façade and signs. The details of state, county and municipal laws and regulations vary from place to place.

ITEM 2

BUSINESS EXPERIENCE

Henry Horkoff – Director; Co-Founder, CEO and President From January 2021 to the present, Mr. Horkoff has served as our CEO and President. From September 2019 to the present, he has served as CEO of our Parent, Steamoji, Inc. From May 2015 to September 2019, Mr. Horkoff was a Partner, at Network Sense Ltd. in Vancouver, British Columbia, Canada.

Mikhail Baiman - Co Founder & VP Development From January 2021 to the present, Mr. Baiman has served as our VP Development. From February 2020 to the present, he has served as VP Development for our Parent, Steamoji, Inc. From January 2013 to February 2020, Mr. Baiman served as Global Director, Totachi Automotive in Vancouver, British Columbia, Canada and Singapore.

Alex Chunn - VP Product From March 2019 to the present, Mr. Chunn has served as VP Product for our Parent, Steamoji, Inc. From May 1999 to December 2018 Mr. Chunn served as VP of ID and Concept Development at Techtronic Industries in Hong Kong.

Owen Hann - VP Operations From November 2020 to the present, Mr. Hann has served as VP Operations for our Parent, Steamoji, Inc. From September 2019 to November 2020 he was the Centre Director for Scholars Education in Vancouver, British Columbia, Canada. From October 2018 to May 2019, Mr. Hann worked as an English Tutor at Elite Education in Vancouver, British Columbia, Canada, as well as a part-time teacher at iTTi Vancouver from September 2018 to April 2019 in Vancouver, British Columbia, Canada. From May 2018 to July 2018, Mr. Hann was a University Instructor at Seijo University in Tokyo, Japan. From January 2017 to March 2018 he was an English Teacher at Shane Corporation Japan Inc. in Tokyo, Japan.

T.R. Harrington - VP Marketing From September 2019 to the present, Mr. Harrington has served as VP Marketing for our parent, Steamoji, Inc. From July 2019 to the present, he has served as Program Director at SOSV in Taipei, Taiwan. From April 2005 to March 2018, Mr. Harrington was Founder and CEO at Darwin Marketing in Shanghai, China.

Amadea Morrow – Franchise Sales Manager From April 2023 to the present Ms. Morrow has served as our Franchise Sales Manager. From June 2021 to April 2023, she was an owner of Chiftitella, a home accessories brand in Vancouver, British Columbia, Canada. From January 2019 to March 2021, she was an inside sales person for Torre & Tagus in Vancouver, British Columbia, Canada. From November 2017 to December 2018, she worked for Jimmy Zee's distributor as an inside sales person in Vancouver, British Columbia, Canada.

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

The following is a description of our standard initial fees.

Initial License Fee

The Initial License Fee for an Academy is \$40,000, plus applicable taxes.

The Initial License Fee is payable upon the execution of the Franchise Agreement and is deemed to have been fully earned by us and is non-refundable to you upon the granting of the License.

Deposit

We may collect a deposit in the amount of \$8,000 representing 20% of our Initial License Fee for an Academy. The deposit is due 14 calendar days after we deliver this disclosure document to you. If no Franchise Agreement is entered by you with us, we may retain a portion of the deposit to compensate us for our administrative expenses. If a Franchise Agreement is entered, then the deposit will be applied to the Initial License Fee. Our form of Application and Deposit Agreement is attached as Exhibit E to our Franchise Agreement.

Design Package (Test Fit and Vendor Package)

You must pay us \$3,000 for the Steamoji Academy Design Package. This fee compensates us for performing our portion of the following design related tasks and it must be paid when invoiced by us (which will be before your Steamoji Academy opens):

STEPS	ACTIVITY	RESPONSIBILITY	FEES PAID BY
1.0	Obtain base building plans from the landlord or request from the city.	Franchisee	Franchisee
2.0	Create 2-3 “Test Fit” layouts and estimate capacity (from base building plans).	Steamoji	Franchisee
3.0	Create Development Permit (DP) package which includes architectural permit drawings only.	Franchisee	Franchisee
3.1	Steamoji reviews DP package before submitting to local authority.	Steamoji	None

3.2	Submit approved DP plans to local authority for approval.	Franchisee	Franchisee
4.0	Create Building Permit (BP) after DP is approved by local jurisdiction.	Franchisee	Franchisee
4.1	Steamoji reviews BP package before submitting to local authority.	Steamoji	None
4.2	Submit approved BP plans to local authority for approval.	Franchisee	Franchisee
5.0	Steamoji to apply branding guides to BP drawings.	Steamoji	Franchisee
6.0	Franchisee architect to incorporate branding guides to their construction package.	Franchisee	Franchisee

Referral Program

We currently have a referral program in place for existing franchisees who refer new franchisees. The referral program is offered on a limited time basis, and may be discontinued at any time by us. If a franchisee refers a third-party who becomes a franchisee within 12 months of such referral, then the referring franchisee is paid a referral fee of up to \$10,000 by us. The referral fee is paid for each successful franchisee that is referred, not by number of locations operated by such referred franchisee. Additionally, if the referred franchisee(s) operates multiple locations under different names (e.g. under two different corporate entities), only one referral fee is payable. There is no obligation to participate in this program or refer potential franchisees.

ITEM 6
OTHER FEES

TYPE OF FEE (Note 1)	AMOUNT	DATE DUE	REMARKS
Royalty (Note 2)	<p>8% of the sum of Gross Sales plus the cost of payment processing for each transaction that is processed for your benefit by the payment processor engaged by us (acting as your agent).</p> <p>Subject to the following minimum performance obligations for the specified periods following opening:</p> <p>\$100,000 of Gross Sales in the first 12 months</p> <p>\$175,000 of Gross Sales in the second 12 months</p> <p>\$225,000 of Gross Sales in the third 12 months</p> <p>\$250,000 of Gross Sales in the fourth 12 months</p> <p>\$250,000 of Gross Sales in the fifth 12 months</p>	<p>Rather than you directly paying us a Royalty derived from your Gross Revenues, parents/guardians of students enrolled in your Steamoji Academy will normally pay Membership Fees and other program sales directly to a payment provider (currently Stripe) that we contract with on your behalf as your agent. The payment provider will first deduct their fees then will simultaneously disperse your share and the respective shares for Royalty and Branding Fund fees to us. These payments are made on a three-business day rolling schedule after receipt. You will be required to make remittances for any Sales Tax to the respective authorities as the case may be and provide to us, on demand, proof of</p>	<p>We may terminate the Franchise Agreement if you fail to achieve the minimum performance obligations.</p>

TYPE OF FEE (Note 1)	AMOUNT	DATE DUE	REMARKS
	\$250,000 dollars of Gross Sales in each 12 month period thereafter (including such periods during any renewal term) plus a compound annual increase in Gross Sales of ten (10%) percent per 12 month period, or a lower compound annual increase determined by us in our discretion for any renewal term	filing such returns. The payment provider fees that are deducted constitute additional consideration payable by you to us in respect of the Continuing Royalties and are, therefore, subject to applicable tax. The payment provider will also deduct these taxes.	
Curriculum and Technology Fee	\$3,000 setup fee and \$350 per month which can increase over the term, or such other amount as may be specified in Schedule "A" to the Franchise Agreement	Paid on a monthly, recurring basis	
Branding Fund (Note 3)	2% of the sum of Gross Sales plus the cost of payment processing for each transaction that is processed for your benefit by the payment processor engaged by us (acting as your agent).	Rather than you directly paying us a Royalty derived from your Gross Revenues, parents/guardians of students enrolled in your Steamoji Academy will normally pay Membership Fees and other program sales directly to a payment provider (currently Stripe) that we contract with on	

TYPE OF FEE (Note 1)	AMOUNT	DATE DUE	REMARKS
		<p>your behalf as your agent. The payment provider will first deduct their fees then will simultaneously disperse your share and the respective shares for Royalty and Branding Fund fees to us. These payments are made on a three-business day rolling schedule after receipt. You will be required to make remittances for any Sales Tax to the respective authorities as the case may be and provide to us, on demand, proof of filing such returns. The payment provider fees that are deducted constitute additional consideration payable by you to us in respect of the Continuing Royalties and are, therefore, subject to applicable tax. The payment provider will also deduct these taxes.</p>	
Initial Training	\$0 to \$4,000 For any additional people, you must pay our then-current tuition	Upon demand	You pay all costs and expenses for attendance at our initial training, including all travel, food and

TYPE OF FEE (Note 1)	AMOUNT	DATE DUE	REMARKS
	(currently \$2,500 per person)		accommodation costs and expenses
Annual Convention	\$700 to \$1,000	Annually as required	Exclusive of travel related expenses
Additional Training Programs and Seminars	Any cost or fee that we may impose for providing additional training programs and seminars, including initial training for replacement management personnel	Upon demand	See Item 11
Advertising and Promotional Materials	A reasonable standard charge for advertising and promotional materials developed by us	As invoiced	
Other Supplies	All costs for additional supplies	As invoiced	You may be required to purchase additional supplies from us
Management Services	All costs and expenses for operating your Franchised Business, including a reasonable management fee	Upon demand	If you request us operate your Academy
Relocation Fee	Our reasonable costs incurred in connection with a permitted relocation, plus a reasonable fee for our services in	Upon demand	See Item 12

TYPE OF FEE (Note 1)	AMOUNT	DATE DUE	REMARKS
	connection with any such relocation		
Transfer Fee	50% of the then current initial license fee if the sale is to a third party. If the transfer is to an existing licensee, then such fee is 25% of the then current initial license fee. In addition, you must pay our legal and administrative fees. All transfer fees are subject to applicable state law.	Upon application for consent to transfer	One half of the assignment fee must be paid when the you request our consent for the transfer and the balance is to be paid on the completion of the transfer. No transfer will be approved unless the transfer fee and our legal and administrative fees are paid
Renewal Fee	25% of the then current initial licensing fee, plus our legal and administrative expenses for processing the renewal.	Prior to commencement of the Renewal Term.	
Administrative Fee for Non-Compliance	\$1,500, \$2,000, and \$2,500 respectively for first, second, and third incidents of non-compliance within any 12-month period	Upon non-compliance	
Article 12 Damages (Note 4)	In addition to liquidated damages, there are fees of \$500 per day and \$1,000 per day for not returning or continually using	Upon breach	We are also entitled to the benefit of the bargain in the event that the you breach the agreement resulting in termination prior to

TYPE OF FEE (Note 1)	AMOUNT	DATE DUE	REMARKS
	intellectual property or telephone number/fax machine		the end of term, subject to the our duty to mitigate such damages
Liquidated Damages	You must pay us, for a period of 14 months, 10% of the Gross Revenues generated or otherwise earned by you (or the Guarantor) in any other commercial educational business that is in any way owned or operated by you (or the Guarantor) in violation of the provisions of Article 12, together with the sum of \$85,000, which amounts constitute our genuine and reasonable pre-estimate of the damages we will suffer from such a breach	Upon breach	We may also obtain damages for the benefit of the bargain if the Franchise Agreement is breached or terminated before the end of the term. That would involve the payment of royalties and other amounts until the end of the term, subject to our duty to mitigate such damages
Interest	Lower of 18% per annum or the maximum rate permitted by law on the unpaid amount	Upon demand	Charged in circumstances where there is a failure to comply with the Steamoji System. This is to compensate the us for our administrative time in dealing with noncompliance and is

TYPE OF FEE (Note 1)	AMOUNT	DATE DUE	REMARKS
			in addition to any other remedy that the we can exercise under the Franchise Agreement
Curing a Breach of the Lease	The amount we pay to cure your breach under the Lease	Immediately upon payment by us	
Operation at Your Request	Our reasonable expenses and a reasonable management fee and any shortfall of income to expenses	As invoiced	If you have difficulty consistently maintaining our Standards or meeting your Minimum Performance Requirements, you may request in writing that we directly operate your Academy

Notes:

1. General. Except where otherwise noted, all fees are imposed and collected by us, are payable to us, are nonrefundable and are uniformly imposed. Applicable taxes are not included.

In most circumstances, our payment system provider will collect fees from customers. After our payment system provider deducts its payment processing fee from the total amounts remitted to you, it will then deduct the prescribed Royalty, any other payments that you are required to make to us based on Gross Revenue, and any other amounts that you owe to us, from the customer fees that it collects, will pay these amounts to us, and then will remit the balance to you within approximately 4 business days. Our current payment system provider is Stripe. It charges a fee of 1-4%, depending on the method of payment. We may change payment system providers at any time and the related fees may change.

You will only be required to collect fees from customers in limited circumstances (e.g., for promotional merchandise sold on-site, pop-up programs or in other authorized circumstances where we require customer fees to be collected directly by you). In such limited circumstances, you must pay us the prescribed Royalty, any other payments that you are required

to make to us based on Gross Revenue, and any other amounts that you owe to us, from the customer fees collected by you. To facilitate payments by customers under these limited circumstances, you will maintain arrangements with the credit and debit card issuers and e-transfer payment processors that we prescribe. To facilitate payment to us, you will participate in any pre-authorized payment plans, electronic funds transfer systems, automatic debiting systems or other similar plans or systems that we may require for direct deposit payment of amounts owing by you to us. We may apply any payments you make to us against any amounts that you owe to us or our Affiliates without regard to any payment designation made by you. You will be required to make remittances for sales and use tax and provide us with proof of filing such returns.

2. Pricing: The Steamoji payment processing system uses standardized pricing tiers that may vary by region. Pricing tiers are as follows:

Tier 1 (for upscale markets, academies with over 100 members):

Annual Membership: \$349/mo plus taxes
Monthly Membership: \$399/mo plus taxes
Quarterly Membership: \$1099/12-week semester plus taxes
Full-day Camp: \$599 plus taxes
Half-day Camp: \$399 plus taxes

Tier 2 (for mid-range markets, academies with 60-100 members):

Annual Membership: \$299/mo plus taxes
Monthly Membership: \$349/mo plus taxes
Quarterly Membership: \$949/12-week semester plus taxes
Full-day Camp: \$549 plus taxes
Half-day Camp: \$349 plus taxes

Tier 3 (for cheaper markets, academies with less than 60 members):

Annual Membership: \$249/mo plus taxes
Monthly Membership: \$299/mo plus taxes
Quarterly Membership: \$799/12-week semester plus taxes
Full-day Camp: \$499 plus taxes
Half-day Camp: \$299 plus taxes

3. Royalty. “Gross Revenues” or “Gross Sales” means the aggregate of all sales and other income notionally earned by you through Membership Fees collected by us on behalf of and as an agent of your Academy, with the purpose of streamlining the distribution of funds owed to each party by the other, or otherwise arising from or relating to your operation of the Franchised Business. This also includes without limitation, all proceeds from any business interruption insurance, but excluding all refunds made in good faith to arm’s length customers and excluding any sales, use and equivalent taxes. We may increase your Royalty for renewal periods.

4. The Branding Fund. The Branding Fund will be administered and allocated by us in our sole discretion and spent or reserved for expenditures exclusively on any and all aspects of advertising, marketing, promotion and public relations relating to the system in the United States and using such media or social media platforms and within geographic areas as the we may determine in our sole discretion from time to time. We may charge an administrative fee for managing the Branding Fund of up to 15%. The person in charge of the fund is Henry Horkoff. We will provide reports as to expenditures made by the fund annually.

5. Article 12 Damages. If the Franchise Agreement is terminated by us because you are in default, in addition to the other remedies prescribed under the Franchise Agreement, we will have the right to claim and recover, and you will pay, as fair and reasonable liquidated damages (but not as a penalty) an amount equal to the greater of the Royalty specified in this Item 6 multiplied by (a) or the percentage Royalty specified in this Item 6 multiplied by (b) where:

(a) is the minimum Gross Revenues contemplated under Section 7.2 of the Franchise Agreement for the period that is the lesser of:

- (i) the remaining unexpired term of the Franchise Agreement (where for any partial 12-month period the amount will be reduced pro rata to reflect the number of actual days in such partial 12-month period), or
- (ii) 36 months (where the minimum Gross Revenues calculated under Section 12.16(a) of the Franchise Agreement will be from the date of the event of termination), and

(b) is the average monthly Gross Revenues during the last six (6) months that the Area Representative Business was operated, or if the Franchised Business has been operated for less than six (6) months, then the average monthly Gross Sales over the actual operating period, multiplied by the lesser of:

- (i) the number of months in the remaining unexpired term of the Franchise Agreement (where for any partial month the amount under Section 12.16(b) of the Franchise Agreement will be reduced pro rata to reflect the number of actual days in such partial month), or
- (ii) 36 months.

Under the terms of the Franchise Agreement, you agree that it would be difficult to calculate with certainty the actual amount of damages that we will incur and that the amount specified above is the best estimate of our lost revenues. If an arbitrator or court determines that the liquidated damages payment is unenforceable, then we may pursue all other available remedies, including recovery of consequential damages. Payment of liquidated damages will not in any way limit any other remedy we may have at law or in equity resulting from your failure to perform your obligations.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
TYPE OF EXPENDITURE (Note 1)	ESTIMATED COST	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
Initial License Fee (Note 2)	\$40,000	As directed by Us	Signing of Franchise Agreement	Us
Curriculum and Technology Fee (Note 3)	\$3,000 setup fee and \$1,050 in total for the first 3 months	As directed by Us	3 days after payment	Us
Anticipated lease deposit (Note 4)	\$3,500 to \$16,000 (1 to 2 month's rent)	Dependent upon Landlord	In advance of tenancy	Landlord
Anticipated Rent (Note 5)	\$10,500 to \$24,000 in total for the first 3 months	Going rates charged by landlords. Could differ in different cities or municipalities	Normally monthly	Landlord
Leasehold improvements (including construction and installation) (Note 6)	\$65,000 to \$223,000	As per requirement of contractor or Us	Pursuant to the terms of construction agreement with contractor or as set forth in Note 8 below	Contractor/suppliers
Permits and Insurance (Note 7)	\$2,000 to \$7,500 per year	As per requirement of government agency and insurance broker	As and when required by supplier	Suppliers

YOUR ESTIMATED INITIAL INVESTMENT				
TYPE OF EXPENDITURE (Note 1)	ESTIMATED COST	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
Architect & Engineering Fees	\$5,500 to \$17,000	As and when invoiced	As and when required by supplier	Suppliers
Design Fee (Test Fit and Vendor Package (See Item 5))	\$3,000	As directed by us or as and when invoiced by supplier	As and when required by us or supplier	Us or suppliers
Fixtures, furnishings and equipment (Note 8)	\$10,000 to \$15,000	As and when invoiced	As and when required by contractor	Contractor/suppliers
Signage and graphics	\$6,000 to \$13,500	As and when invoiced	As and when required by supplier	Supplier
IT and office equipment (Note 9)	\$3,200 to \$3,500	As and when invoiced	As and when required by supplier	Suppliers
Fabrication equipment	\$2,400 to \$14,500	As and when invoiced	As and when required by supplier	Us or suppliers
Project kits	\$4,613	As and when invoiced	As and when required by supplier	Us or supplier
Project Tablets and Laptops	\$5,000 to \$11,450	As and when invoiced	As and when required by supplier	Supplier
General Supplies	\$300 to \$800 in total for the first 3 months	Us or supplier, depending on the circumstances	As and when required	Us or supplier
Launch marketing (Note 10)	\$20,000	Payable to us to develop initial opening promotion and launch	Sample as and when required by us or our suppliers	Us

YOUR ESTIMATED INITIAL INVESTMENT				
TYPE OF EXPENDITURE (Note 1)	ESTIMATED COST	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
Local advertising	\$6,000 in total for the first 3 months	As and when invoiced	As and when required by supplier	Suppliers
Professional Fees (Note 11)	\$1,000 to \$10,000	As arranged; dependent upon the cost charged by your lawyers and accountants	Before Beginning Operations	Lawyer, Accountant, Other Professionals
Initial Training (Note 12)	\$0 - \$4,000	As required	As required	Airlines, Hotels, Restaurants. Rental Car Agencies and other Suppliers
Working Capital & Utilities (Note 13)	\$5,000 - \$50,000 in total for the first 3 months	Us or supplier, depending on the circumstances	As and when required	Us or supplier
TOTAL ESTIMATE TO ESTABLISH (Note 14)	\$196,363 to \$487,213			

Notes:

1. General. All amounts that you will pay to us or our Affiliates are non-refundable unless otherwise noted. Third party suppliers will decide if payments to them are refundable. The amounts shown above are estimates only, based on our experience. All amounts above do not include applicable sales, use or other taxes.

2. Initial License Fee. The Initial License Fee will be deemed to have been fully earned by Us upon the granting of the Steamoji license and is non-refundable, regardless of the date of expiration or termination of the Franchise Agreement.

3. Curriculum and Technology Fees. You are required to pay a curriculum and technology fee of \$3,000 plus approximately \$350 per month which includes the use of certain technologies. The “Build to Solve” curriculum is designed to support 400 hours of directed student sessions across approximately 45 courses. The dashboard administration system includes a customer relationship management platform including operations management and reporting features. The web-based “Apprentice App” delivers video lessons to apprentice-students at all of our academies. The iOS-based “Academy App” assists you with operating the Academy and facilitators with assisting students. There is also a marketing website to help generate leads for the Academy.
4. Anticipated Lease Deposit. This is our estimate of the range of security deposit you will have to pay the landlord of the premises.
5. Anticipated Rent. We estimate that you will require between 1200 ft.² and 1700 ft.² square feet of space for an Academy. The costs associated with a lease of premises vary based upon square footage, cost per square foot and required common area and maintenance costs. Lease costs also depend on the extent to which any improvements to the premises are borne by you or your landlord. If improvements are financed by your landlord, you will pay less up front, but your monthly rental payments will tend to be higher. If you pay for improvements, you will pay more up front, but your monthly rental payments will tend to be lower. It is difficult to estimate lease acquisition costs because of the wide variation in these and other costs between various locations.
6. Leasehold Improvements. To adapt a newly acquired facility for operation of an Academy it must be renovated to our specifications and in compliance with municipal, state and federal health and safety requirements. The cost of the leasehold improvements will vary depending on factors, including the size, condition and location of the facility, local wage rates and the cost of materials. The specifications for leasehold improvements will be provided based on the configuration of the space to be improved.
7. Permits and Insurance. State and local government agencies typically charge fees for occupancy permits, operating licenses and construction permits. Your actual costs may vary from the estimates based on the requirements of state and local government agencies.
8. Fixtures, Furnishing and Equipment. This figure represents the costs of fixtures, furniture and equipment to be used inside the Academy. You must also purchase general office supplies including stationery and typical office equipment. Some of these items may be required to be purchased from an approved supplier.
9. IT and Other Equipment. You must also purchase any computers and related equipment necessary for operating the business.
10. Launch Marketing. You must spend \$20,000 on grand opening advertising from at least 60 days immediately preceding the opening of the Franchised Business and until 60 days after the opening of the Franchised Business. This amount is in addition to the amount you must spend on local advertising. The amounts you spend for grand opening advertising are typically not refundable. You should inquire about the return and refund policy of the suppliers at or before the

time of purchasing. This amount is in addition to the amount you must spend on local advertising. This spend will approximately be broken down into below:

MARKETING TASK	FEE
Initial Marketing Materials	\$2,000
Design Fees	\$500
Digital Optimization (SEO, Google)	\$3,000
Events	\$2,000
Event Package	\$1,000
Business Development	\$1,000
Local PR	\$2,500
Signage	\$1,500
Direct Mail	\$3,000
VIP Event / Grand Opening	\$2,500
Localized Video	\$1,000

11. Professional Fees. You will need to retain a lawyer, an accountant and other consultants to assist you in establishing the Franchised Business. Their fees may vary from location to location depending on the prevailing rates of local lawyers, accountants and consultants.

12. Initial Training. The cost of initial training is included in the Initial License Fee (as discussed in greater detail in Item 11 of this disclosure document), but you are responsible for salaries, flights, transportation and expenses for meals and lodging for those attending training, if training is held at a location away from where you reside/operate the Academy. We offer a considerable amount of training sessions by video conference, which will not require you to travel. Such costs are dependent upon how many personnel are enrolled in training, their respective salaries payable by you, and their living arrangements while at a location away from where you reside/operate the Academy.

13. Working Capital. This category does not include royalties, branding fee, payment processing fee or other fees you pay to us, nor does it include your salary or living expenses.

14. Total. In compiling this chart, we relied on our and our Affiliates' industry knowledge and experience. The amounts shown are estimates only and may vary for many reasons, including the size and condition of your facility, the capabilities of your management team, where you

locate the Franchised Business and your principal owner's business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a Franchised Business. If there are increases in costs over and above what is estimated above, you must bear the increase in such costs.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to ensure a uniform image and uniform quality of products and services throughout the Steamoji System, you must maintain and comply with our quality standards.

We require you to use our designated and approved suppliers including, but not limited to those for design, construction, marketing and real estate services to help you find a location for your Academy. Although you are not required to lease real estate from us or our affiliates, we must consent to the location of the Academy. You must enter in a conditional assignment of lease with us and your landlord in the form set out in Schedule D to the Franchise Agreement or add conditional assignment language to the lease, at our option.

You must construct and equip the Academy in accordance with our then-current approved design, specifications and standards as set forth in the Manual. In addition, it is your responsibility to ensure that your building plans comply with the Americans With Disabilities Act and all other federal, state and local laws. You also must use equipment, signage, fixtures, furnishings, supplies and marketing materials that meet our specifications and standards.

We provide you with a list of approved manufacturers, suppliers and distributors ("Approved Suppliers") and approved inventory products, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate the Franchised Business ("Approved Supplies"). The Approved Supplies list may specify the specific supplier of a specific product, piece of equipment or service. As further detailed below, from time to time we, an affiliate or a third-party vendor or supplier may be the only approved supplier for certain products or services. For example, you must purchase the required computer systems, laser engraver cutter and 3D printers for use in all Steamoji Academies from us or designated suppliers, and this may involve licensing or sublicensing (as the case may be) from us or our designated suppliers of STEAM related software and certain hardware elements for use by you and your students. You will execute and deliver to us on request, the form of licensing or sublicensing agreement acceptable to us in respect of the computer hardware and software systems at the cost specified in such license, which you agree to pay pursuant to the terms of such license. In some cases, you will need to subscribe to a SaaS (Software as a Service) provider through us and in such case, this will be paid from Membership Fees and deducted from monies owed to you by us, as described in Schedule A of the Franchise Agreement. You acknowledge and agree that a default under this Agreement is a default under such license and a default under such license is a default under this Agreement, entitling us (or the licensor of such software) to remove or render unusable any such hardware and software so licensed. You agree that the terms of such computer software system licenses may require you to pay for hardware and software, pay a monthly maintenance contract,

and to duly and regularly pay for updates to such software. We may revise the Approved Suppliers list and Approved Supplies list from time to time. We provide you with the approved lists as we deem advisable.

You must notify us in writing if you want to offer for sale through your Franchised Business any brand of product, or to use in the operation of the Franchised Business any material, item or supply that is not then approved by us, or to purchase any product from a supplier that is not then designated by us as an approved supplier. If requested by us, you must submit samples and other information as we require for testing or to otherwise determine whether the product, material or supply, or the proposed supplier meets our specifications and quality standards. We generally will notify you of supplier approval or disapproval within 60-90 days of our receipt of all the information and samples we request. You must pay all costs of the inspection and evaluation and the actual cost of the test. The supplier also may be required to sign a supplier agreement. We may re-inspect the facilities and products of any approved supplier or item and revoke our approval of any supplier or item that fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or item.

We apply the following general criteria in approving a proposed supplier: 1) ability to provide services or to make product in conformity with our unique and special specifications; 2) production and delivery capability; 3) reputation and integrity of supplier; and 4) financial condition and insurance coverage of the supplier.

None of our owners owns an interest in any of our suppliers.

You must purchase the following types and amounts of insurance:

- (i) reasonable insurance and bonding in connection with the construction and development of the Academy;
- (ii) insurance coverage on a generally accepted “all risks” form for the Academy and the leasehold improvements therein, and the equipment, fixtures, furnishings, software and hardware, signs, supplies and inventory used in the Academy at replacement cost;
- (iii) workers’ compensation insurance as required by applicable law;
- (iv) comprehensive general liability insurance against civil public liability, including personal and bodily injuries or death and damage to or destruction of property in at least the amount of at least Five Million Dollars (\$5,000,000) per person or occurrence with no aggregate coverage limits and with the following additional endorsements or coverage: personal injury liability; non owned automobile; blanket contractual liability; contingent employer’s liability; products liability; completed operations liability; occurrence basis property damage; and employees added as additional insureds; and
- (v) tenant’s legal liability insurance on a generally accepted all risks form in at least the amount specified in the lease for the Academy premises.

We may require you to obtain and keep current additional policies of insurance that we believe are required for the operation of an educational facility. You may also obtain such other or additional insurance as you deem proper in connection with your operation of the Academy. You should consult with an insurance professional to determine what coverage, in addition to the minimum required coverage, may be needed for you and your Franchised Business.

All policies of insurance will:

- (i) be primary and non-contributory;
- (ii) name us as an additional insured,
- (iii) provide that we will receive at least thirty (30) days prior written notification of any cancellation, termination, expiry, amendment or modification thereof that is material to this Agreement.

You must provide certificates evidencing such required insurance coverage to us prior to opening the Academy (and prior to taking possession of any leased facility in the case of tenant's legal liability insurance and prior to beginning construction in the case of construction and development related insurance) and prior to each expiry date of such insurance policies. Nothing contained above will be construed as a representation or warranty that such insurance as may be specified by us from time to time will insure you against all insurable risks or amounts of loss which may or can arise out of or in connection with the operation of the Franchised Business. Maintenance of required insurance and compliance by you with your insurance related obligations will not relieve you of your liability under the indemnity provisions of this Agreement.

We and our affiliates reserve the right to receive payments or other consideration from suppliers, including landlords, in connection with your purchase of goods, products and services as described in this Item 8, as well as in connection with any additional goods, products or services. Payments may take the form of volume rebates, contingent profit bonuses, allowances and other similar receipts and advantages. We expect that most of these payments will be calculated based on a percentage of the cost of products sold to, or a fixed amount per unit sold to, you and to our affiliate-owned franchised businesses. We will retain and use such payments as we deem appropriate or as required by suppliers. In fiscal year 2023, we did not receive any payments or other consideration from suppliers.

We or our affiliates, as Steamoji System suppliers, may derive revenue and earn a profit from the sale of goods and services to you and or other licensees. In fiscal year 2023, we derived approximately \$500 in revenue from franchisee purchases or leases of products or services from us, which represents 1.6% of our total revenue for 2023 of \$32,142.

You must pay the then-current price to the Approved Supplies. In some instances, the cost of using the Approved Supplies may be higher than the cost of other similar supplies and products on the market.

In some cases, we negotiate prices for products for the benefit of the Steamoji System, but not on behalf of individual franchisees. There are no purchasing or distribution cooperatives. We do not provide material benefits to you because of your use of the Approved Suppliers.

We estimate that your purchases from the Approved Suppliers will represent approximately 10% to 20% of your total purchases and leases in establishing your Franchised Business and 10% to 20% in continuing its operation.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items in this Disclosure Document.

	Obligation	Section in Agreement	Item in Disclosure Document
a.	Site selection and acquisition/lease	Sections 2.1, 2.2, 3.1, 3.2, 3.6	Items 7 and 11
b.	Pre-opening purchases/lease	Sections 3.3 3.4, 3.5, 8.1, 8.2, 8.3, 9.2	Items 5, 6 and 7
c.	Site development and other pre-opening requirements	Sections 3.3, 3.4, 3.5, 9.2, Schedule A – Section 11	Items 5, 7 and 11
d.	Initial and ongoing training	Section 4	Items 6, 7, 11 and 17
e.	Opening	Sections 3.4, 3.5	Items 5 and 11
f.	Fees	Section 5	Items 5, 6, 7 and 11
g.	Compliance with standards and policies/ Operations Manual	Sections 6.1, 7.1, 7.3, 8.5, 9.1, 10.2, 10.7, 11.3,	Items 7, 8, 11, 12, 14 and 17
h.	Trademarks and proprietary information	Recitals, Section 10, Schedule B	Items 12, 13 and 14
i.	Restrictions on products/services offered	Section 8	Items 8, 11 and 16
j.	Warranty and customer service requirements	Sections 7.1, 7.3	Not Applicable

Obligation		Section in Agreement	Item in Disclosure Document
k.	Territorial development and sales quotas	Section 7.2	Items 11 and 12
l.	Ongoing product/service purchases	Section 8.1	Items 8 and 11
m.	Maintenance, appearance and remodeling requirements	Sections 3.3, 7.3	Items 11 and 17
n.	Insurance	Sections 3.5, 7.1(d), 7.1(ff)	Items 7 and 8
o.	Advertising	Section 6.1(a)(iii), 7.1(f), 7.1(o), 7.3, 9, Schedule A - Section 8	Items 6 and 11
p.	Indemnification	Section 12.11 Section 21 of the Trademark License Agreement	Item 6
q.	Owner's participation/management/staffing	Sections 1.8, 4.1, 7.3, 11.3(b)	Items 11 and 15
r.	Records/reports	Sections 5.4, 5.5, 7.4, 12.2 (k), 12.2(p)	Item 6
s.	Inspections/audits	Sections 6.1(v), 7.1(i), 7.4, 12.13, Schedule B – Section 8, Schedule C – Section 4(a)	Items 6 and 11
t.	Transfer	Section 11	Items 6 and 17
u.	Renewal	Section 2.8	Items 6, 12 and 17
v.	Post-termination obligations	Section 12.9	Item 17
w.	Non-competition covenants	Section 12.12	Item 17
x.	Dispute resolution	Section 12.18	Item 17
y.	Taxes	Section 5.7, 7.1(c)(iv), Schedule C – Section 4(b)	Item 6

Obligation		Section in Agreement	Item in Disclosure Document
z.	Other: Guarantee of Franchise Obligations	Section 13	

ITEM 10

FINANCING

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

ITEM 11

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

EXCEPT AS LISTED BELOW, WE ARE NOT REQUIRED TO PROVIDE YOU WITH ANY ASSISTANCE.

Pre-opening Assistance. Before you open your first Franchised Business, we will:

1. If premises are not identified in the Franchise Agreement, review your choice of premises for possible approval and, if approved, designate a Territory. (Franchise Agreement §§2.1 and 2.3).
2. We will review the form of offer to lease or lease for possible approval. (Franchise Agreement §3.2(a)).
3. We will help you design the premises. (Franchise Agreement §3.3)
4. Loan you one copy of our operating manual (the "Manual") or provide internet access to it. (Franchise Agreement §6.1(a)(i)) The table of contents for the Manual is attached as Exhibit D. The total number of pages in the Manual is 92. The Manual includes our list of Approved Suppliers and Approved Supplies.
5. Provide you with the STEAM curriculum. (Franchise Agreement §6.1(a)(ii))
6. Provide you with the advertising, marketing and promotional methods and materials acquired or developed by us (at our then current charge for same), and our suggested methods of conducting your local market advertising and promotion. (Franchise Agreement §6.1(a)(iii))

7. Provide initial training at a location designated by us for your principal owner and Academy Director (if not your principal owner). Alternatively, a trainer may be sent to your location and you will pay any associated travel costs. We describe our training program below. (Franchise Agreement §4.1)

Ongoing Assistance. During the operation of the Academy, we will:

8. Upon reasonable request by you, we will use reasonable efforts to furnish you assistance with specific problems which are beyond the scope of our obligations under the Franchise Agreement, at your expense. (Franchise Agreement §4.1(d))

9. Provide you with monthly scorecards that evaluate your performance (Franchise Agreement §7.4)

10. We may request individual or group meetings or conduct an annual Steamoji conference or convention at a location we designate and require you and certain of your employees, as designated by us, to attend. We may charge you a reasonable fee for attending the annual conference or convention. You will be responsible for all travel, salary and accommodation costs for you and any of your employees and/or principals to attend meetings, conferences and conventions. (Franchise Agreement §4.1(f))

4. If you have difficulty consistently maintaining our standards or meeting your minimum performance requirements, upon your request in writing, we will directly operate and manage your Steamoji Academy for your account, for a period of time not to exceed ninety (90) days. (Franchise Agreement §8.5)

Information Technology (IT) Systems.

You must install and maintain at the Academy, at your own expense, all dedicated telephone lines, computers (including tablets), operating software, printers and other computer accessories and peripherals as may be necessary for the operation of the Academy, and secure a high speed internet account with a reliable provider, in accordance with the Franchise Agreement and the Manual (together with any required software, the “IT System”). You are also required to purchase, install and regularly use livestream video and keep video recordings available for use as specified by us.

Presently, we require you to utilize our approved accounting and customer relationship and management software platforms, including QuickBooks and Stripe. In particular, we require you to acquire and utilize our “Build to Solve” curriculum which is designed to support 400 hours of directed student sessions across approximately 45 courses. The dashboard administration system includes a customer relationship management platform, including operations management and reporting features. The web-based “Apprentice App” delivers video lessons to apprentice-students at all Steamoji Academies. The iOS-based “Academy App” assists facilitators, students, and you with the operation of the Academy. There is also a marketing website to help generate leads for Steamoji Academies.

You may be required to enter into ongoing maintenance or support agreements for some of the required software. You may periodically be required to update or upgrade the IT System, when we believe it is necessary. We will ensure that ongoing maintenance, repairs, upgrades or updates are made available to you. All costs associated with such maintenance, repairs upgrades or updates will be completed at your sole cost and expense. There are no contractual limits on the frequency or the cost and expense of your obligations under this paragraph.

Additionally, we may introduce new requirements or new modules or modify our specifications and requirements for the IT System. You will be responsible for implementing and paying for such new modules or changes to computer systems. There are no contractual limits on the frequency and cost and expense of your obligations under this paragraph

We have the right to independently access all information that you collect or compile on your IT System at any time without first notifying you. There are no contractual limits on our right to access this information.

We estimate the cost of purchasing the IT Office Equipment will range from \$3,200 to \$3,500, while fabrication equipment (such as 3D printers and laser engravers) will range from \$2,400 to \$14,500. We estimate the annual cost of optional and/or required maintenance, updating, upgrading or support contracts for the Systems will range from \$0 to \$5,000 and may increase as your business grows and the number of employees increases.

We have established and will maintain ownership of and control over the internet domain name www.steamoji.com and the internet website connected to it, (as well as other current and future domain names and sites). We reserve the right at any time to prescribe by written notice that you will be connected to, and will make use of our internet domain names and internet web sites, including for all of its internet advertising associated with Trademarks and name and the Academy, in the manner and form designated or reasonably approved in advance by us from time to time, and you will pay us any webhosting or related fees required by us in relation to such website, as may be communicated or invoiced to you. You will not maintain or in any way use any website or social media site to advertise promote or reference your Academy or the Trademarks and in that regard, you will not engage in any use, such as linking or framing, of any other internet website associated with Steamoji name or the Trademarks or the Academy in association with any other internet website or in association with any other name or trade mark or internet domain name or in association with any other business.

Marketing.

You are required to spend, on an out-of-pocket basis, \$20,000 on the Launch Marketing Campaign for Academy within a window of time prior to opening and shortly after opening, as prescribed by us commencing 60 days prior to opening. We may assist you with selecting media purchases for such advertising and promotion and to help you recruit teaching staff (“Facilitators”). We may provide you with approved stock graphic designs, layouts and written copy for use in advertisements and brochures.

You are required to, during the Term of the Franchise Agreement, expend on local advertising and promotions an average amount of \$2,000 per month, calculated on a quarterly basis. You must provide such details and evidence of expenditures of such advertising and promotions as may be required by us from time to time, and you must not advertise locally in a form or matter that have not been approved in advance. For example, contributions to the landlord's mall advertising fund will not count towards the local advertising obligation. The expenditures for local advertising are in addition to the amounts that are required to be spent on the Launch Marketing Campaign.

You must participate in all customer loyalty reward programs that we require from time to time, including authorized gift cards which you must accept under any gift card or other program and redeem in accordance with the terms and conditions of such program; sell gift cards if mandated by Us; and pay Us an administration fee for participation in the gift-card or other program.

Recognizing the value of uniform advertising and promotion to the goodwill and public image of the Steamoji System, you must participate in our advertising, branding and marketing programs (the "Branding Fund"). We control all such advertising, branding and marketing programs in its sole discretion with respect to the creative concepts, materials, endorsements and media used, and the placement and allocation of branding and advertising. The Branding Fund is administered pursuant to the following terms and conditions:

(a) You are required to contribute to the Branding Fund by paying Us an amount equal to 2% of your Gross Sales. As discussed previously in this disclosure document, rather than you paying the Branding Fund amount directly to us, parents/guardians of students enrolled in the Academy will pay Membership Fees to the payment provider who will deduct the amount of the Branding Fund from payments received and will pay it to us (or our Affiliate) on your behalf.

(b) We will direct all advertising programs in its sole discretion with respect to the creative concepts, materials, endorsements and media used therein, and the placement and allocation thereof.

(c) The Branding Fund is used and expended for both online and traditional media costs, commissions, market research costs, creative and production costs, including, without limitation, the costs of creating promotions and artwork, social media programs, printing costs, and other costs relating to online and traditional advertising and promotional programs undertaken by us. We reserve the right to place and develop such branding programs and to market same as agent for and on your behalf, either directly or through an agency retained or formed for such purpose. The Branding Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs and overhead (calculated on a fully allocated basis), if any, as we may incur in activities reasonably related to the administration or direction of the Branding Fund and its branding programs (including, without limitation, conducting market research), not to exceed 15% of the amount of the fund.

(d) We undertake no obligation in administering the Branding Fund to ensure that any particular licensee, including any licensee who executes a Franchise Agreement, benefits directly or on a pro rata basis from the placement or conduct of any advertising and promotion.

(e) We assume no direct or indirect liability or obligation to any licensee with respect to the maintenance, direction or administration of the Branding Fund.

(f) We or our Affiliates may lend money to the Branding Fund on repayment terms in our discretion.

(g) We may, at our option, disband the Branding Fund on notice to you.

We are newly incorporated, and the Branding Fund has not been instigated as of the date of this disclosure document.

There is currently no advertising council composed of franchisees that advises on our advertising policies.

You are currently not required to participate in any local or regional marketing cooperative or advertising fund, but you may be required to participate in the future.

Site Selection.

We must approve a general area in which you may locate the Steamoji Academy. We will provide you with our criteria for site selection. Our criteria for site selection factors include demographic characteristics of the proposed site, proximity to schools, activities and amenities available to parents, the predominant character of the neighborhood, ease of access, parking, other commercial characteristics (including the rental obligations and other lease terms for the proposed site), the size of the premises (which must be 1,200 to 1,700 square feet), appearance and other physical characteristics. We require you to use our preferred real estate analytics provider to help you find a location for your Academy. They will also recommend a local real estate broker.

You will enter into a lease or facilities concession agreement directly with the landlord or facilities operator. We may require you and the landlord to enter into our form of conditional assignment of lease, a sample copy of which is Schedule “D” to the Franchise Agreement.

We have the right to and review and approve the lease; in part because if we exercise our right under a conditional assignment of lease, then we will need to step into your shoes as tenant.

Franchised Business Opening.

The typical length of time between the signing of the Franchise Agreement and the opening of the Academy is 150 days. Factors that may affect your commencing operations include potential delays by landlords in the processing of documentation, the ability to secure building, electrical, plumbing and other municipal permits and to perform such work, compliance with zoning and local requirements, weather conditions that may delay construction, interruptions in

the supply of materials, labor relations issues and other potential delays in installation of leasehold improvements, equipment and fixtures. In no event may you take longer than 210 days from the effective date of the Franchise Agreement to construct, develop, equip, complete initial training and open the Academy, unless we consent in writing to a longer time period. In addition, you must commence your initial training within 90 days from the effective date of the Franchise Agreement or such other date that you and we agree. If you fail to commence your initial training within 90 days (or such other date that you and we agree), or open the Academy within 210 days, from the effective date of the Franchise Agreement, (in the latter case, provided that you have obtained all certificates or licenses required to operate the Franchised Business), we may terminate the Franchise Agreement, and we will not refund any portion of the Initial License Fee, Startup Fee or Technology Fee or other fee to you.

You may not open your Academy, nor may you commence business until: (a) all of your obligations pursuant to Article 3 of the Franchise Agreement have been fulfilled to our satisfaction; (b) we determine that your Academy has been constructed, decorated, furnished, equipped in accordance with our approved plans and specifications; (c) we have been furnished by you with copies of all insurance policies or such other evidence of insurance coverage and payment of premiums as we may request; (d) you and your managers and Facilitators have successfully completed our training; (e) if applicable, you are licensed by all appropriate licensing authorities within the State in which you operate and you have provided to us evidence of such licensing and such license is current and has not been suspended or cancelled; and (f) we have given you prior written approval to open, which approval will not be unreasonably withheld or delayed. Once we have determined the Academy is ready for opening, you will have 5 days from such determination to actually open.

Training.

Shortly after the execution of the Franchise Agreement, your principal owner and your Academy Director (if not your principal owner) will commence an initial eight week training program, which will be conducted online. When we determine an approximate date of the opening of the Academy (based on your particular construction schedule), your principal owner and your Academy Director will commence a final eight weeks of online training. Approximately 30 days prior to the opening of the Academy, your principal owner and your Academy Director will attend at a location we designate for a week of in person training. Your principal owner and your Academy Director must successfully complete the initial training program to our satisfaction before the Academy opens. If your principal owner and your Academy Director fail to complete the training program to our satisfaction, they must re-take the training program until they successfully complete it to our satisfaction. If (i) in our opinion, your Academy Director demonstrates an inability to effectively manage a Academy, then we may terminate the Franchise Agreement or (ii) if your principal owner and Academy Director fail to commence the Initial Training Program within 90 days following the date of the Franchise Agreement, or at such other date that we and you may agree in writing, we may terminate the Franchise Agreement, and we will not refund any portion of the Initial License Fee, Startup Fee or Technology Fee or other fee to you. There is no charge for the initial training program for your principal owner and your

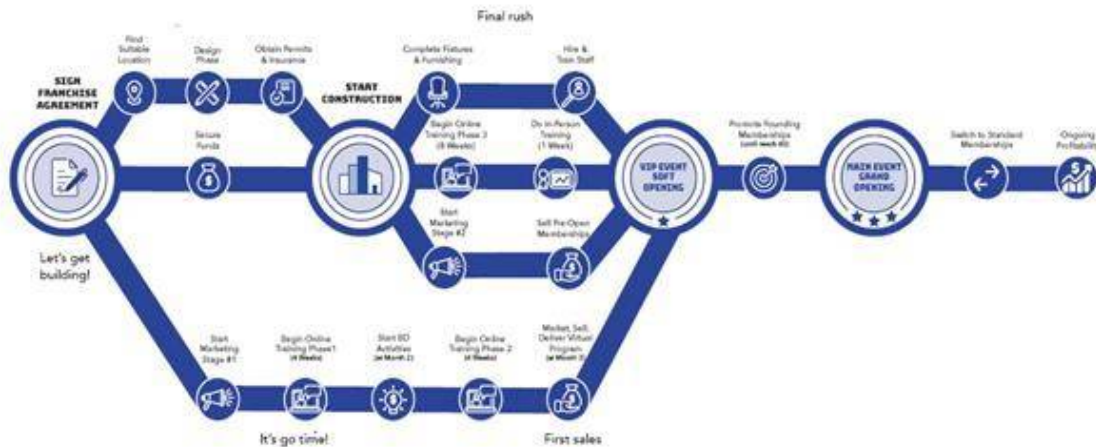
Academy Director. You will pay our then current initial training fee for all additional trainees, including anyone who has to repeat training or any replacement Academy Director.

A summary of the topics covered in our training program, and the anticipated hours to be spent on such topics are described in the table below:

Subject	Hours of Classroom Training	Hours of Virtual Training	Location
Corporate Overview	1		Redmond, WA
The Steamoji™ Brand Experience	1	5	Redmond, WA
The 400-hour Build to Solve™ Curriculum	2	5	Redmond, WA
The Client Experience	3	5	Redmond, WA
How To Sell Memberships	3	5	Redmond, WA
Systems and Technology	6	10	Redmond, WA
Payments & Scheduling	2	5	Redmond, WA
Marketing	6	10	Redmond, WA
Family Management and Retention	2	5	Redmond, WA
Daily Operational Workflows	3	5	Redmond, WA
Monthly Reports & Financials	2	5	Redmond, WA
Human Resources	6	10	Redmond, WA
Resources and Support	1	5	Redmond, WA
Opening Licensee's Doors	2	5	Redmond, WA
	40	80	

The following schematic illustrates the our “Fast-Track To 60” training program and may assist potential licensees with critical path and scheduling for training:

FAST TRACK TO 60 PROGRAM



We will pay no compensation for any services performed by trainees during such training and all expenses incurred by you or the trainees in connection with such training will be for your account. Trainees must make their own travel and accommodation arrangements for in person training, as travel and accommodation costs are not provided by us.

You acknowledge in the Franchise Agreement that our training programs and materials are proprietary confidential information forming part of the Steamoji System.

If additional assistance or training over and above that ordinarily provided by us is required or requested by you at any time, then we and you will discuss and reasonably agree upon what is required and we will furnish such additional assistance or training. We reserve the right to charge a reasonable fee, together with reasonable expenses incurred in providing any additional assistance or training. You or your Academy Director will attend at your own expense, and successfully complete, all subsequent training for Academy Directors, including retraining or refresher courses or programs which we may conduct from time-to-time or initial training for replacement Academy Directors. These courses and programs may be conducted by way of telephone conference or online video conference. You or your Academy Director are responsible for training your Facilitators. We provide certain online tutorials for Facilitators.

We have the right to use your Academy to train new licensees and if we exercise this right, we will pay you a reasonable fee for such use. We will not unreasonably disrupt the operations of your business and no compensation will be payable by you to any our trainees, nor will you be responsible for the management and supervision of such trainees.

We reserve the right to hold a meeting with Academy Directors, Facilitators, or your other employees or contractors when we believe it is beneficial to do so. The Academy Director or other

employees nominated by us, must, at our request, attend conferences, workshops and special training seminars during the term of the Franchise Agreement at such times and venues as we may reasonably require ensuring at all times that you are able to adhere strictly to the highest standards of procedures and policies imposed by us. The conferences, workshops and special training seminars must be completed to our satisfaction. You will be liable to pay for all costs of and incidental to attending the conferences, workshops and special training seminars, including but not limited to accommodation, transport and living expenses, wages and salaries for its representatives and our then-current training fees in conducting the conferences, workshops and special training seminars. The training may be provided by us or a third party designated by us.

All Facilitators of the Academy must complete the required Facilitator training program (the “Facilitator Training Program”) which will be provided by you or your Academy Director. You or your Academy Director will be solely responsible for ensuring that all Facilitators are continuously adequately trained to perform their services in connection with the Academy.

Our V.P. Operations will oversee the training courses with the assistance of certain of our management personnel. Our current V.P. Operations is Owen Hann. As indicated in Item 2, Mr. Hann has worked for our Parent since November 2020. Previously he worked as a Centre Director for another provider of enrichment learning programs and has held a number of teaching positions in Canada and Japan.

The instructional materials used during the training program include the Manual and other related proprietary teaching aids developed by us.

The initial training program will take place at any location that we designate, including our Affiliate’s Redmond, WA offices. Training is provided as needed to facilitate the timely opening of Franchised Businesses.

ITEM 12 **TERRITORY**

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

You will receive the right to operate a Franchised Business at a specific location described in the Franchise Agreement (the “Premises”). If you are not in default under the Franchise Agreement or any other agreement between you and us (or our Affiliates), we will not during the term of your franchise locate, or grant others the right to locate, a Steamoji Academy within a specified geographic area described in the Franchise Agreement (the “Territory”).

The geographical boundaries of the Territory will be set by us upon determination of the location of the Premises. These boundaries are determined primarily based on the number of children between the ages of 6 and 15 who reside within a particular area surrounding the Premises. A Territory for a Steamoji Academy will generally have 4,000 children between these ages. Practically, such Territory may not be a circular radius, per se, but may in fact be a square,

rectangular, or other shaped territory bordered by streets or natural obstructions. We determine the Territory and incorporate it into a written description or a map attached to the Franchise Agreement.

We retain all rights that are not expressly granted to you under the Franchise Agreement. The license granted to you under the Franchise Agreement does not include (i) any right to sell products or provide services identified by the Marks at any location outside the Territory, (ii) any right to sell products or provide services identified by the Marks to any person or entity for resale or further distribution, except as we may establish from time to time, (iii) any right to exclude, control or impose conditions on our development of future franchised, company or affiliate owned businesses at any time or at any location outside the Territory, or (iv) any right to distribute goods or services through channels not specified by us.

Further, we may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, and without granting you any rights therein:

(a) Market and distribute products and services (including educational products and services) under the Steamoji Trademarks to the public through alternative channels of distribution, or under a different business system, format, delivery or distribution methodology, business model, nature or style to the Franchised Business, including offering online classes;

(b) Acquire, be acquired by or merge with a competing business which may continue to sell or begin to sell similar products and services under different trademarks at locations anywhere in the United States, including within the Territory; and

(c) On our own account, or through an Affiliate, acquire, develop, operate, or license any form of business anywhere which is not specifically granted and licensed to you under this Agreement; and we may do so under the same, a similar or a different trademark; and any such form of business may be competitive with the Franchised Business but operate under a different trademark.

We have no present plans to operate a competing license or franchise system offering similar goods or services, but as stated above we have the right to do so.

We expressly reserve the right from time-to-time to operate or to grant to any other person, a license to operate a Academy which is located in the general geographic area of and which may be nearby but not within the Territory granted to you. We will act reasonably in the exercise of such rights and assessing the market demand or support for any such additional locations. It is further understood that such additional locations may include, but will not be limited to, locations of a different nature or style than your Academy, or having different hours of operation or catering to a different customer base.

Given that some parents may find it more convenient to enroll their children in a Academy nearer to their place of work, while others would prefer to enroll their children in a Academy nearer to their home, you agree that we and our other licensees are free to solicit students for their

respective Academies from anywhere, including from within the Territory. Likewise, you are free to solicit students from outside the Territory.

You do not have the right to relocate your Academy or add locations without our written approval. If, prior to the termination or expiry of this Agreement, your lease, sublease or concession license expires or terminates without your fault or if the Premises are destroyed or condemned or otherwise rendered unusable or if, in the our judgment, there is a change in the character of the location of the Premises sufficiently detrimental to its business potential to warrant the relocation of the Franchised Business, (i) you may relocate the Academy with our permission to a location acceptable to us, (ii) we may by written notice to you, require you to relocate the Academy to a location acceptable to us. Any such relocation will be at your sole cost and expense and we may charge you for our reasonable costs incurred, together with a reasonable fee for our services, in connection with such relocation.

It is a condition to renewal that you have the right to remain in possession of the Premises under your lease or sublease for the Renewal Term.

You do not have any right to open additional Steamoji Academies within the Territory or acquire licenses for additional territories.

You are subject to the minimum revenue requirements set out in Item 6. You maintain rights to your area even if the population increases.



Your landlord must agree to notify us in the event of any breach or default of the Lease by you, or any failure by you to exercise a right of renewal of the Lease, or any application by you for consent to assign or sublet the Lease, and that the landlord will allow us the right to cure the breach or default or exercise any right of renewal in the place and instead of you and to succeed to the rights of you as the Lessee under the Lease, or to also give our consent to the proposed assignment or subletting; and the landlord will recognize an assignment of the Lease from you to us carried out pursuant to the terms of the Franchise Agreement.

ITEM 13

TRADEMARKS

The Franchise Agreement licenses you the right to use the Steamoji trademarks, as well as other trademarks, service marks, trade names and commercial symbols (collectively, the “Marks”). Our Parent, Steamoji, Inc., claims common law trademark rights for all of the Marks. The principal trademarks used in the Steamoji System are as follows and are registered on the Principal Register of the United States Patent and Trademark Office.

Trademark	Registration Number	Registration Date
STEAMOJI	6760851	June 14, 2022
STEAMOJI	6760967	June 14, 2022
Build to Solve	6896029	November 8, 2022

Trademark	Registration Number	Registration Date
 (Oji Design)	6760966	June 14, 2022
	6760965	June 14, 2022

Our Parent, Steamoji, Inc., has filed all required affidavits. No registrations have been renewed.

Our Parent, Steamoji, Inc. has licensed us the right to use the Marks and to sublicense the use of the Marks for the operation of Franchised Businesses in the United States under a license agreement effective as of March 31, 2022. The license agreement provides for unlimited, automatic renewals. Steamoji, Inc. may terminate the license agreement if, among other things, a franchisee misuses the Marks in a way that will materially impair the goodwill associated with the Marks or if we are dissolved, become insolvent, or (except for our right to sublicense the Marks to franchisees) we assign our rights under the license agreement without Steamoji, Inc.’s consent. The license agreement contains no other limitations. Except for the license agreement, there are no other agreements that limit our right to use the Marks.

There are currently no effective determinations of the United States Patent & Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or court, any pending infringement, opposition or cancellation proceeding, or any pending material litigation involving the Marks. There are currently no agreements in effect that significantly limit our rights to use or license the use of the Marks in any manner material to the franchise offered under this disclosure document. We do not know of any superior prior rights, and there are no infringing uses actually known to us, that could materially affect your use of the Marks.

You must follow our rules when using our Marks, including those set out in the Franchise Agreement and in the Trademark License Agreement that you must sign in the form attached as Schedule “B” to the Franchise Agreement. You cannot represent that you have acquired any ownership rights in any of our Marks. You cannot infringe upon our Marks. You also cannot contest or help others to contest the validity of our right to use our Marks or take any other actions in derogation of our use of these Marks. You cannot use our Marks as part of a corporate name or with modifying words, designs, or symbols, except for those which we license to you. You may not use our Marks in connection with the sale of any unauthorized product or service, or in a manner that we have not authorized in writing.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to the Marks and we have the sole right to decide to pursue or settle any infringement actions related to the Marks. You must notify us immediately of any

infringement or unauthorized use of the Marks, or challenge to your use of the Marks, of which you become aware.

If on account of any third-party claim regarding the Marks or for any other reason, we elect to change or modify any or all of the Marks, you must immediately incorporate such changes or modifications at your Franchised Business at your expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or copyrights currently registered that are material to the franchised business, although we do claim copyright ownership and protection for our License Agreement, the Manual, the curriculum, the teacher's manuals, the student work books, tests, workbooks and quizzes and all similar educational material at any time provided by us to you (collectively "Teaching Materials"), Steamoji Methodologies, software that we may provide to you, and various sales, promotional and other materials published from time to time.

Our Parent, Steamoji, Inc., has licensed us the right to use the Teaching Materials, Steamoji Methodologies, software and promotional and other materials and to sublicense their use for the operation of Franchised Businesses in the United States under a license agreement effective as of March 31, 2022. The license agreement provides for unlimited, automatic renewals. Steamoji, Inc. may terminate the license agreement if, among other things, a franchisee misuses the licensed intellectual property in a way that will materially impair the goodwill associated with it or if we are dissolved, become insolvent, or (except for our right to sublicense the licensed intellectual property to franchisees) we assign our rights under the license agreement without Steamoji, Inc.'s consent. The license agreement contains no other limitations. Except for the license agreement, there are no other agreements that limit our right to use the licensed intellectual property.

There are no currently effective determinations of the Copyright Office (Library of Congress), United States Patent and Trademark Office, Board of Patent Appeals and Interferences, or any court, of any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any patents or copyrights. There are currently no agreements in effect that significantly limit our rights to use or license the use of any patents or copyrights in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the patents or copyrights.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of any patents or copyrights, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to any patents and copyrights and we have the sole right to decide to pursue or settle any infringement actions related to the patents or copyrights. You must notify us promptly of any infringement or unauthorized use of the patents or copyrights.

You must keep confidential during and after the term of the Franchise Agreement all confidential information, including the Manuals, Teaching Materials, Steamoji Methodologies, or other information we communicate to you in writing, verbally or through the Internet or other

online or computer communications (the “Confidential Information”). Upon termination or expiration of your Franchise Agreement, you must return to us or destroy, as directed by us, all Confidential Information, including but not limited to the Manuals, Teaching Materials and all other information we identify. You must notify us immediately if you learn about an unauthorized use of Confidential Information. We are not obligated to take any action and we have the sole right to decide the appropriate response to any unauthorized use of our Confidential Information. You must comply with all changes to the Manual at your cost.

All ideas, concepts, procedures, techniques or processes concerning the Steamoji System, Steamoji Methodologies or our Marks, whether or not protectable intellectual property and whether created by you or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the Steamoji System and works made-for-hire for us. To the extent any item does not qualify as a “work-made-for-hire” for us, you will assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

All of your employees having access to our Confidential Information must execute secrecy and confidentiality agreements substantially in the form attached to the Franchise Agreement as Schedule E.

You acknowledge that the materials, information, specifications, the Standards forming part of Steamoji System, including the Manual; the specifications and standards for products, inventory, supplies, equipment; our curriculum and Steamoji Methodologies; the identity of designated or approved suppliers; the identity, contact information and files relating to all parents and guardians of students enrolled at the Academy which is the subject of this Agreement, and all internal communications with you and other licensees are protected by copyright, are proprietary to us and confidential and constitute trade secrets which are disclosed to you on conditions of trust, and you will not use, copy or transmit for any purpose inconsistent with this Agreement or publish or reveal to any unauthorized party or competitor during the term of this Agreement or thereafter. We reserve the right at any time upon written notice to you to more particularly specify or define any elements or items of information or materials which we consider to be confidential trade secrets for the purposes of the ongoing application and survival of your covenants herein. The covenants of this paragraph will also extend to cover and bind each of your directors, managers, officers and principals who have in any capacity affixed his or her signature to this Agreement. You also acknowledge and agree that we may also be under covenants of confidentiality with our Affiliates and suppliers, which may prevent us from disclosing certain of their confidential information to you.]

You acknowledge that we possess know-how comprised of methods, products, specifications, materials, procedures, Steamoji Methodologies, information, systems and knowledge of and experience in the provision of the services to be used by you at the Academy (collectively, the “Know-How”). We will disclose the Know-How to you in our training program, the Operations Manual and in guidance furnished to you during the Term and any renewal term of this Agreement. You will not acquire any proprietary interest in the Know-How or any part of it,

other than the right to use it in the development and operation of the Academy during the Term and any renewal term of this Agreement, in full compliance with this Agreement. You acknowledge that the Know-How is proprietary and, except to the extent that it is or becomes generally known in the educational industry, the Know-How and every part of it comprises a valuable trade secret, owned by us.

We may from time to time in our discretion, use the database of parents and guardians whose children have acquired educational training from your Academy as we reasonably determine for the purpose of contacting such persons for satisfaction monitoring and similar purposes; or for other purposes that promote and enhance the Steamoji brand or which are for the commercial benefit of us or the System. You acknowledge and agree that we own such information unless a particular person is specifically excluded pursuant to Schedule “A” attached hereto. Notwithstanding our ownership of such information, you hereby consent to our use of such parent and guardian list and database for such purposes and you agree to obtain consents where necessary.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You acknowledge that we have granted you a license under the Franchise Agreement on the material representation that the person(s) designated in Schedule “A” to the Franchise Agreement as “owner-operators” will participate actively on a full-time and best efforts basis in the management and operation of the Franchised Business, with one of them acting as the Academy Director. In certain circumstances, we may permit you to hire a full-time Academy Director who must be trained by us. You will continuously exert your best efforts to promote and enhance the Academy and to participate in all promotional advertising and marketing programs, campaigns and cooperatives developed by us

The Academy must be under the direct supervision of the Academy Director at all times. If you acquire an additional territory or an additional location, then you will be required to sign a separate Franchise Agreement for that territory or location, in which case it will be treated as a separate license requiring its own Academy Director. All Academy Directors must successfully complete our initial training program, work full time, and be personally approved by us. During the term of the Franchise Agreement, you and the Academy Director are prohibited from actively participating in any other business during the required hours of operation of the Franchised Business, unless you obtain our written approval. There is no requirement that an Academy Director own equity in the Franchised Business.

Supervision by the Academy Director in no way relieves you of your obligations to comply with the Franchise Agreement and ensure that the Franchised Business is properly operated.

If you have difficulty consistently maintaining our standards or meeting your minimum performance requirements, you may request in writing that we directly operate and manage your Academy for your account, for a period of time not to exceed ninety (90) days. If you request us to operate and manage your Academy for your account, and we accept such request, we will manage and operate your Academy for your account, but we may, at our option deduct an amount

sufficient to reimburse us for our reasonable expenses and a reasonable management fee. We will incur no liability to you or any other party in respect of such operation and management as long as we act honestly and in good faith. Any shortfall of income to expenses incurred by us respecting such management and operation shall be reimbursed by you on demand. You may, at any time during our management and operation of your Academy, require such management and operation to cease.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell from your Franchised Business only those products and services that we have approved in writing (see Item 8). We have the right to revise the list of approved products and services from time to time based upon our evaluation of various factors, which may include customer demand, geographic location, technological developments, and other market or economic factors. Our right to modify the list of authorized products and services is unlimited.

Further, unless we agree otherwise in writing, you may not operate any other business or conduct other activities from the Academy.

You must operate your Franchised Business in compliance with the terms of the Franchise Agreement and the Trademark License Agreement.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

Provision		Section in Franchise Agreement	Summary
a.	Term	Section 2.7, Schedule A	The initial term of the Franchise Agreement is 7 years, except that the initial term will not exceed the term of your agreement to occupy the Premises.
b.	Renewal	Schedule A	The renewal term of the Franchise Agreement is 7 years, except that the renewal term will not exceed the term of your agreement to occupy the Premises.
c.	Requirements for you to renew or extend	Section 2.8	You must be in compliance with the material terms and conditions of the Franchise Agreement, you must notify Steamoji in writing at least seven (7) months prior to the expiration of the term of your wish to renew

Provision		Section in Franchise Agreement	Summary
			and your Renewal Fee must accompany your notification.
d.	Termination by you	None	You may terminate the Franchise Agreement for any reason allowed under applicable law.
e.	Termination by us without cause	Section 3.1, 3.4, 4.1(e)	<p>We may terminate the Franchise Agreement if:</p> <p>(a) you fail to execute and deliver the Sublease to use within 5 days after a written request;</p> <p>(b) you cannot complete the development of your Premises in a timely manner;</p> <p>(c) if you fail to commence your Initial Training Program or fail to open your Business in accordance with the License; or</p> <p>(d) subject to applicable state law, you demonstrate an inability to effectively manage a Steamoji Academy.</p>
f.	Termination by us upon certain Events of Termination	Sections 12.1, 12.2	See Sections g and h below.
g.	“Events of Termination” which can be cured	Section 12.1	<p>The following are “events of termination” which can be cured:</p> <p>(a) If you fail to comply with our specifications, or our Standards as called for in the Franchise Agreement or in the Operations Manual and such default is not corrected within a period of seven (7) days after written notice of the default;</p> <p>(b) If you fail to pay any amount due and owing to us, our Affiliates, an approved</p>

Provision		Section in Franchise Agreement	Summary
			<p>supplier, your Landlord or others for a period of seven (7) days after written notice of the default and the time period for curing such default;</p> <p>(c) You fail to comply with any other obligation under the Licensing Agreement for a period of fourteen (14) days after written notice of the default and the time period for curing such default; or</p> <p>(d) If you fail to meet your Minimum Performance Requirements in any year of the Franchise Agreement and have not cured such default to our satisfaction in a manner and on a schedule determined by us.</p>
h.	Events of Termination which cannot be cured	Section 12.2	<p>The following defaults cannot be cured and grounds for termination:</p> <p>(a) If you abandon the Steamoji Academy by failing to keep the Steamoji Academy operating under the name Steamoji for five (5) consecutive business days or more, or for an aggregate of five (5) business days or more in any thirty (30) day period, without our prior written consent, which consent shall not be unreasonably withheld where the closure results from a cause beyond your reasonable control;</p> <p>(b) If you become bankrupt, or are placed in receivership for a period exceeding ten (10) days, or are dissolved, liquidated or wound up, or if you make a general assignment for the benefit of your creditors, or a composition, arrangement or proposal involving your creditors, or otherwise, acknowledges your insolvency;</p> <p>(c) If you, or any partner, director or officer are charged or convicted of any</p>

Provision		Section in Franchise Agreement	Summary
			<p>indictable criminal offence, or any crime involving moral turpitude, or shall be found liable for or guilty of fraud, fraudulent conversion, embezzlement, or any comparable action in any civil or criminal action or proceeding pertaining or relevant in our opinion to the Steamoji Academy;</p> <p>(d) If you or any of your directors, officers, shareholders, guarantors or employees, as the case may be, engages in any misconduct which unfavorably affects our reputation or the reputation of any other licensee, or the goodwill associated with the Trademarks or the System; including, but not limited to, abuse of parents, abuse of students, abuse of employees, or engaging employees or contractors who do not meet our then-current standards and training requirements, health or safety hazards, drug or alcohol problems by you or any of your directors, officers, shareholders, guarantors or employees, or permitting unlawful activities at the Premises;</p> <p>(e) the lease or sublease for the Premises is terminated and alternative premises are not secured within seven (7) days;</p> <p>(f) If you are convicted of misleading advertising or any other sales related statutory offence pertaining to the Steamoji Academy, or enjoined from or ordered to cease operating the Steamoji Academy by reason of dishonest, illegal, unsafe, unsanitary or unethical conduct;</p> <p>(g) if you fail to advise us of a legal proceeding or Crisis Management Event as specified in section 7.5 of the Franchise Agreement or fail to take steps as directed by us in the event of a legal proceeding or Crisis</p>

Provision		Section in Franchise Agreement	Summary
			<p>Management Event;</p> <p>(h) If you have any business license or any other license, permit or registration pertaining to the Steamoji Academy or the Premises suspended for just cause or cancelled and not reinstated or reissued within ten (10) business days;</p> <p>(i) If you attempt to pledge, encumber, charge, hypothecate or otherwise give any third party a security interest in, or assign the Franchise Agreement without our prior written consent, or if an assignment of this Agreement shall occur by operation of law or judicial process without such consent;</p> <p>(j) If you attempt to assign, transfer or convey the Trademarks, trade name, copyrights, domain names, confidential information, know-how or trade secrets, or if you publish, disclose or use any of the same in a manner or at or from a location not authorized by us;</p> <p>(k) If you fail on three (3) or more separate occasions after we have previously notified you of each such default, to provide us when due, any required reports of the operation of your Steamoji Academy, or you fail to make payment of any monies due to us or our Affiliates or others;</p> <p>(l) If you have defaulted in complying with this Agreement or our Standards on three (3) or more separate occasions after we have previously notified you of each such default;</p> <p>(m) If there has been a fourth occurrence in a twelve month period of a check or other payment to us, our Affiliates or our suppliers</p>

Provision		Section in Franchise Agreement	Summary
			<p>being rejected for insufficient funds;</p> <p>(n) If we determine that you have disclosed any of our confidential trade secrets to a party not authorized by us, or have otherwise breached your obligations respecting our confidential trade secrets;</p> <p>(o) If you intentionally falsify, misrepresent or misstate to us any financial statements, reports or information required under the Franchise Agreement; in particular, if you materially distort information pertaining to your Steamoji Academy;</p> <p>(p) if you fail to record any Gross Revenues, other information we require you to record, or fail to maintain your financial and other records in a manner prescribed by us;</p> <p>(q) if you fail to submit to us financial and other information that is required to be provided to us when required;</p> <p>(r) if you fail to pay any applicable Sales Tax or any other tax required to be paid by you;</p> <p>(s) If you fail to develop the Premises in the time agreed by the parties for such development;</p> <p>(t) If you have materially breached this Agreement by purchasing from unauthorized suppliers without our prior written consent;</p> <p>(u) if you have failed to obtain criminal records checks or updated criminal records checks for individuals involved in your Steamoji license business, and in particular,</p>

Provision		Section in Franchise Agreement	Summary
			<p>directors, officers Facilitators and all those having contact with students; or</p> <p>(v) If you unilaterally repudiate the Franchise Agreement or the performance or observance of any of the terms and conditions of this Agreement by word or conduct evidencing your intention to no longer comply with or be bound by the same.</p>
i.	Your obligations on termination/ non-renewal	Section 12.9	<p>Upon termination of the Franchise Agreement, you must:</p> <ul style="list-style-type: none"> - discontinue use of the Trademarks, trade name, copyrights, Operations Manual, confidential information and trade secrets; - discontinue to operate or do business under any name or in any manner that might tend to give the general public the impression that you are, either directly or indirectly, associated, affiliated, licensed by or related to us or our System; - not directly or indirectly, use any Trademarks, name, logo, slogan, copyright, trade secret, confidential information, advertising, design, graphic, script, trade dress, color combination, distinguishing feature or other element which is confusingly similar to our System; - pay us the additional amount of \$1000.00 per day for failure to comply with the provisions of Section 12.9 of the Franchise Agreement ,which you and we agree is a genuine estimate of our liquidated damages; and - acknowledge the proprietary rights as set out in the Franchise Agreement and agree to return to us all copies in your possession of

Provision		Section in Franchise Agreement	Summary
			the Operations Manual, and all other confidential and proprietary information and materials relating to our System or bearing the Trademarks.
j.	Assignment of contract by us	Section 11.1	We reserve the right to assign the Franchise Agreement to any party who, in our reasonable judgment, is financially and operationally capable of assuming our role and performing under the Agreement, and who agrees in writing to assume and be bound by and perform all of the terms, provisions, covenants, conditions and obligations of the Agreement for the balance of the Term and any renewal term. We will give reasonable written notice of any such assignment to you, and from that point forward, we will have no further obligation or liability to you under or in connection with the Agreement.
k.	“Transfers” by you	Sections 11.2	The Franchise Agreement is not transferrable or assignable by you, in whole or in part, without our prior written consent. We will not refuse to consent to a proposed assignment unreasonably so long as the assignee meets the conditions of assignment as listed below.
l.	Our approval of transfer by you	Section 11.3	Our approval is required for you to transfer or assign the Franchise Agreement.
m.	Conditions for our approval of transfer	Section 11.3	Our approval is conditioned upon the following: (a) The assignee, including its directors, officers, managers, partners, members, shareholders, and their respective spouses,

Provision		Section in Franchise Agreement	Summary
			<p>must meet our then current criteria for the selection and approval of new licensees;</p> <p>(b) The assignee, its owner-operator(s), the management personnel and the Facilitators proposed to be employed by the assignee for the Steamoji Academy must satisfactorily complete our initial training and Facilitator program as described in the Franchise Agreement (at your or their cost, but not ours);</p> <p>(c) The assignee shall assume and agree in writing to be bound by and perform all of your covenants and obligations hereunder, or if required by us, shall execute and deliver to us a new form of Agreement for the remaining portion of the Term of this Agreement. Any new Agreement may be in our then current standard form, which may include terms and conditions, which differ substantially from those contained in the Franchise Agreement</p> <p>(d) All your obligations under this Agreement and under any other agreement between the us, you and our respective Affiliates shall be brought up to date and into full compliance;</p> <p>(e) You and the Guarantor must deliver to us a complete release of all claims against us, and our respective officers, directors, and affiliated corporations in respect of all matters arising under or pursuant to this Agreement;</p> <p>(f) You must deliver to the assignee, the Operations Manual, and all other materials of a confidential or proprietary nature relating to Steamoji System or bearing the Trademarks;</p>

Provision		Section in Franchise Agreement	Summary
			<p>(g) The assignee must not use in its corporate or firm name the word Steamoji or any derivative thereof, or any word confusingly similar in the English or other language;</p> <p>(h) We reserve the right to require that you or the assignee carry out reasonable changes and improvements to the Premises and equipment used in the Steamoji Academy as we may specify in order to upgrade the Steamoji Academy to our then current image, standards and specifications.</p> <p>(i) You acknowledge that we will incur expenses in connection with any assignment or proposed assignment, and thus you must reimburse us for our reasonable actual expenses incurred in connection with the assignment or proposed assignment and must pay to us an Assignment Fee in the amount specified in Schedule “A” of the Franchise Agreement, the payment of which shall be a condition of us granting consent to the assignment.; and</p> <p>(j) you must pay us an amount representing our reasonable legal and administrative fees for approving and processing the assignment;</p>
n.	Franchisor’s right of first refusal to acquire franchisee’s business	Sections 11.4 and 11.5	We may match an offer for the Franchised Business or an ownership interest you propose to sell.

Provision		Section in Franchise Agreement	Summary
o.	Franchisor's option to purchase franchisee's business	Section 12.17	In addition to the right of first refusal described in 17n. above and our right to purchase upon your death or disability described in 17.p below, we may purchase the assets of the Franchised Business for fair market value (excluding goodwill), upon termination or expiration of the Franchise Agreement.
p.	Your death or disability	Section 11.6	<p>(a) Upon your death or permanent disability, your surviving spouse and/or adult child has the right to continue to operate the Franchised Business, upon our approval, if your spouse or adult child directly agrees to be bound by the Steamoji Franchise Agreement and any other agreements made between us.</p> <p>(b) If your surviving spouse and/or an adult child do not desire or are not in our reasonable opinion capable of carrying on the Franchised Business or if you do not have a spouse or adult child surviving, then we have the option to purchase all assets of the Franchised Business for a purchase price equal to the fair market value as agreed upon between us and your legal representative.</p> <p>(c) a "permanent disability" means that a qualified medical practitioner certifies that your usual participation in the management and operation of the Steamoji Academy is curtailed for a cumulative period of ninety (90) days in any twelve (12) month period.</p>
q.	Non-competition and non-solicitation covenants during the term of the Franchise	Section 12.12	<p>During the term of the Franchise Agreement, you cannot:</p> <p>(a) compete with the Steamoji by owning or operating any similar business; and</p>

Provision		Section in Franchise Agreement	Summary
	Agreement		(b) conduct any business that utilizes the essential distinctive elements of our System or is confusingly similar in trademark, trade name or business format to those of our System.
r.	Non-competition and non-solicitation covenants after the Franchise Agreement is terminated or expires	Section 12.12(b)	The non-compete provisions continue to apply to you for 24 months after the termination or expiration of the Franchise Agreement and are applicable within a radius of five miles around your Steamoji location and any other Steamoji location.
s.	Modification of the agreement	Section 14.5	The Franchise Agreement can only be modified in writing and as signed by you and us. We have the right to modify the Manual and Marks at will.
t.	Integration/merger clause	Section 14.3	The Franchise Agreement is the entire understanding between you and us and contains all the terms and conditions agreed upon by you and us. No other agreements exist or bind you or us, and all prior agreements are no longer in effect. All terms of the agreement between you and us are contained in the Franchise Agreement. These provisions are subject to applicable state law.
u.	Dispute resolution by Arbitration	Section 12.8	You and we agree to attempt to use best efforts to communicate and resolve any dispute. If we are unable to resolve the dispute within 30 days, except for certain claims, all disputes must be mediated in Seattle, Washington and, if not settled, arbitrated in Seattle Washington, and if not settled or arbitrable, all disputes will be brought in a court of competent jurisdiction in Seattle, Kings County, Washington. You and we agree that the right to a jury trial has

Provision		Section in Franchise Agreement	Summary
			been waived. This dispute resolution is subject to applicable state law.
v.	Choice of forum	Section 12.18	Seattle, Kings County, Washington (subject to applicable state law)
w.	Choice of law	Section 14.10	Delaware (subject to applicable state law)

ITEM 18

PUBLIC FIGURES

We do not use public figures to promote our franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Hank Horkoff at 1000 - 595 Burrard Street, Vancouver, BC, V7X 1S8, (425) 242-0350; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1 Systemwide Outlet Summary
For Years 2021 to 2023*

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
FRANCHISED OUTLETS	2021	0	0	0
	2022	0	0	0
	2023	0	1	+1
COMPANY- OWNED	2021	0	0	0
	2022	0	1	+1
	2023	1	1	0
TOTAL OUTLETS	2021	0	0	0
	2022	0	1	+1
	2023	1	2	+1

*Our fiscal year runs from January 1 through December 31.

As of the date of this disclosure document, our affiliate, Steamoji Canada Services Inc. has 11 Steamoji franchises that are open and has signed franchise agreements for another 17 franchises, our affiliate Steamoji Kerrisdale Learning Services Inc. has one corporate location in Canada and our affiliate Steamoji Redmond LLC has one corporate location in Redmond, Washington. We are in the process of selling the corporate-owned location owned by our affiliate Steamoji Kerrisdale Learning Services Inc. in Canada, which will be sold on or around March 15, 2024. A list of Canadian franchisees is set out in Exhibit I.

Table No. 2
Transfers of Outlets From Franchisees to New
Owners (Other than the Franchisor or an Affiliate)
For Years 2021 to 2023

State	Year	Number of Transfers
Total	2021	0
	2022	0
	2023	0

Table No. 3
Status of Franchised Outlets For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Required by Franchisor	Ceased operations Other Reasons	Outlets at End of the Year
Total	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1

Table No. 4
Status of Company-Owned
Outlets For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Total	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1

Table No. 5
Projected Openings as of March 1, 2024

State	Franchised Agreements Signed But Not Opened	Projected New Franchised Outlets in the next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	3	0
Washington	0	6	0
Other	0	3	0
Total	0	12	0

As of the date of this disclosure document, we have one operating franchisee. Our franchisee is listed on Exhibit I. As of the date of this disclosure document, no franchisee has had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement or has not communicated with us within ten weeks of the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us, but we may do so in the future.

ITEM 21 **FINANCIAL STATEMENTS**

Attached to this disclosure document as Exhibit E are the following financial statements:

Audited financial statements as of December 31, 2022 and December 31, 2023.

ITEM 22 **CONTRACTS**

This disclosure document contains a sample of the following contracts:

Franchise Agreement – Exhibit B

Non-Disclosure Agreement (Individual) – Exhibit C-1

Non-Disclosure Agreement (Business Entity) – Exhibit C-2

State Specific Addenda – Exhibit F

General Release – Exhibit G

ITEM 23
RECEIPTS

Attached as Exhibit K to this disclosure document is a detachable acknowledgment of receipt form (2 copies). Please promptly sign and date both copies of this form, retaining one copy for your records and sending the other copy to us for our files.

EXHIBIT A

List of State Agencies and Agents for Service of Process

NAMES AND ADDRESSES OF STATE REGULATORY AUTHORITIES AND AGENTS FOR SERVICE OF PROCESS IN CERTAIN STATES

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
California	Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205 (866) 275-2677	Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205 (866) 275-2677
Connecticut	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	[Not Applicable]
Delaware		Legalinc. Corporate Services Inc. 651 N. Broad St., Suite 206 Middleton, Delaware 19709
Florida	Dept of Agriculture & Consumer Services Division of Consumer Services 2005 Apalachee Pkwy. Tallahassee, FL 32399-6500 (850) 410-3800	[Not Applicable]
Hawaii	Business Registration Division Department of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii, Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street Room 203 Honolulu, HI 96813 (808) 586-2722
Illinois	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465
Indiana	Indiana Secretary of State Securities Division, E-111 302 West Washington Street, Room E-111 Indianapolis, IN 46204	Indiana Secretary of State 302 West Washington Street, Room E-111 Indianapolis, IN 46204

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
	(317) 232-6681	(317) 232-6681
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021 (410) 576-6360	Maryland Securities Commissioner at the Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021 (410) 576-6360
Michigan	Consumer Protection Division, Antitrust and Franchising Unit Michigan Department of Attorney General G. Mennen Williams Building, 1 st Floor 525 W. Ottawa Street Lansing, MI 48933 (517) 373-7117	Michigan Department of Consumer and Industry Services Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, MI 48909 (517) 241-6470
Minnesota	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600
Nebraska	Staff Attorney Department of Banking and Finance Commerce Court 1230 "O" Street, Suite 400 Lincoln, NE 68508-1402 (402) 471-3445	[Not Applicable]
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236 (Phone)	New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 12231-0001 (518) 473-2492
North Dakota	North Dakota Securities Department Fifth Floor 600 East Boulevard Avenue State Capitol, Fifth Floor, Department 414 Bismarck, ND 58505 (701) 328-4712	North Dakota Securities Commissioner Fifth Floor 600 East Boulevard, Department 414 Bismarck, ND 58505 (701) 328-4712
Oregon	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	[Not Applicable]

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
Rhode Island	Department of Business Regulation in the Service of Process, Disclosure Document and State Administrators Sections Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, RI 02920 (401) 222-3048	Director Department of Business Regulation State of Rhode Island Securities Division 1511 Pontiac Avenue John O. Pastore Center Cranston, RI 02920 (401) 462-9588
South Dakota	Division of Insurance Securities Regulation 124 S Euclid, Suite 104 Pierre SD 57501 (605) 773-3563	Division of Insurance Securities Regulation 124 S Euclid, Suite 104 Pierre SD 57501 (605) 773-3563
Texas	Secretary of State Statutory Document Section 1019 Brazos Austin, Texas 78701 (512) 475-0775	[Not Applicable]
Utah	Division of Consumer Protection Utah Department of Commerce 160 East 300 South Salt Lake City, UT 84111 (801) 530-6601	[Not Applicable]
Virginia	State Corporation Commission Division of Securities and Retail Franchising Ninth Floor 1300 East Main Street Richmond, VA 23219 (804) 371-9051	Clerk, State Corporation Commission 1300 East Main Street, First Floor Richmond, VA 23219 (804) 371-9733
Washington	Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501 (360) 902-8760	Director, Department of Financial Institutions Department of Financial Institutions Securities Division PO BOX 41200 Olympia, WA 98504-1200
Wisconsin	Securities and Franchise Registration Wisconsin Securities Commission 345 West Washington Street, 4th Floor Madison, WI 53703	Securities and Franchise Registration Wisconsin Securities Commission 345 West Washington Street, 4th Floor

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
	(608) 261-9555	Madison, WI 53703 (608) 261-9555
Federal Trade Commission	Bureau of Consumer Protection 600 Pennsylvania Avenue, NW Washington, D.C. 20580 (877)-382-4357	[Not Applicable]

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process.

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

EXHIBIT B
Form of License Agreement



**STEAMOJI LICENSE AGREEMENT
STEAMOJI AMERICA SERVICES INC**

_____ ♦ _____

AND

_____ ♦ _____

Full Names of Guarantor or Guarantors

Location: _____

Agreement Number: _____

Dated: _____

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LICENSE AGREEMENT

THIS LICENSE AGREEMENT is made as of the day of , ____.

BETWEEN:

STEAMOJI AMERICA SERVICES INC. a company incorporated under the laws of Delaware and having an office at 16630 Redmond Way, Suite 110, Redmond, Washington 98052

("Licensor")

OF THE FIRST PART

AND:

("Licensee")

OF THE SECOND PART

AND:

(Collectively the "Guarantor")

OF THE THIRD PART

RECITALS

WHEREAS:

- A. We and our affiliates are the originator and owner of the worldwide rights to a distinctive educational business format and system which involves the establishment and operation of educational facilities or "academies" for children between the ages of 6 to 15 that helps to train future builders, makers, inventors and entrepreneurs in the disciplines of science, technology, engineering, arts and math (referred to as "STEAM"), so that these children can be better prepared for the careers of the future (the "System").
- B. Many parents feel that traditional public schools will not adequately prepare their children for the careers of the future. Public elementary and high schools are often constrained by slow changing standards, school board requirements, existing infrastructure, and trained teaching personnel. If

elementary and middle school teachers in the public-school system are exposing children to STEAM topics, they can only do so in a restricted, sampling fashion.

- C. Because technological change is accelerating, and as part of our System, we aim to fill this gap by producing a structured and reinforcing project curriculum designed to provide 400 hours of student activity to our students. Our System is a curriculum that is designed to fill the gap of what might not be provided in traditional public schools. Students are taught basic skills, then encouraged to practically apply them in the spirit of "Build to Solve". We believe that children who are enrolled in Steamoji Academies will be ahead of the peers by gaining essential skills for the 21st century workplace while learning how to tackle their generation's global challenges.
- D. We, through our affiliates, hold registered trademarks with the United States Patent and Trademark Office featuring the word STEAMOJI and other related trademarks ("Trademarks") and own or control other trademarks and trade names used in connection with the Steamoji Academies as described in this Agreement; all of which we or our Affiliates (as the case may be) have the right to use, to license and to sublicense in the United States and elsewhere in the world to qualified licensees;
- E. We, through our affiliates, are also the owners of certain proprietary rights and interests including, but without limitation, in copyrights, designs, slogans, the trade dress and design of Steamoji Academies, symbols, logos and other identifying characteristics;
- F. We license to qualified licensees, the licensed right to operate our System and Trademarks to provide educational training programs and curriculum at Steamoji Academies specifically authorized and approved by us;
- G. We believe that licensing the Steamoji Trademarks and System to qualified licensees is a means of expanding the number of Steamoji Academies in the United States, thereby promoting the growth of Steamoji brand in the highly competitive educational services market;
- H. We also believe that licensing Steamoji System and Trademarks for Steamoji Academies allows our licensees, and master licensees (if applicable) to take advantage of our brand, our goodwill, our business systems, the relationships we may develop with landlords, educators, leaders in engineering and technology, suppliers and others, while at the same time allowing our licensees to participate in the risks and rewards that come with owning and operating their own independent educational businesses;
- I. We further believe that licensing our System and our Trademarks requires us to have some limited control over how our licensees run their businesses, so that, among other things:
 - (a) quality standards can be maintained throughout the system at all Steamoji locations;
 - (b) there is relative uniformity of products, services and teaching methodologies offered at all Steamoji Academies;
 - (c) that our licensees will only buy designated products, equipment and supplies from us, or through our designated or approved suppliers, and will only perform the educational services in a form and manner that we have authorized, in order that quality can be maintained; and
 - (d) that the Steamoji Academy which is subject to this Agreement is owned and operated by a person or persons trained by us, and not someone we have not approved or do not have a legal contract with;

- J. In exchange for our training and support, the use of our know-how, our Trademarks, our System, our teaching methodologies and certain other services that we provide on an ongoing basis, our licensees are required to pay certain upfront and continuing fees. But because our licensees are independent businesses, they are also required to pay their rent, pay their employee's salaries, pay their taxes and source deductions, pay for product and supplies, and otherwise comply with the laws and regulations which all businesses in the United States must otherwise comply with.
- K. Based upon our review of your business experience, educational experience and financial capabilities, the financial and related information which you and the Guarantor have provided to us, as well as our own assessment of you and your principals, we have agreed to award to you a Steamoji license and allow you to operate a Steamoji Academy pursuant to this Agreement under our System, and Trademarks, at the specific location specified in Schedule "A".

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and of the mutual covenants and agreements herein contained, and for other good and valuable consideration (the receipt and sufficiency of which is acknowledged by the parties), the parties agree as follows:

1. ACKNOWLEDGMENTS BY YOU

1.1 Your Acknowledgement of the Recitals to this Agreement

You confirm to us that you understand the description of our System as briefly outlined in the Recitals to this Agreement noted above. You also understand and agree that we and our respective Affiliates have devoted considerable time, energy, and skill to create a business system that fills a particular market niche and that is why you have requested that we share our know-how and expertise, our System and our Trademarks with you through this Agreement.

1.2 This Agreement has an Informal Style where Possible

Where possible, this Agreement is written in an informal style. Accordingly, in most cases, the Licensor, Steamoji America Services Inc., (being the entity with which you will contract with under this Agreement) is normally referred to as "we", "us", "ourselves", as well as the "Licensor". Where the context permits, it also includes our Affiliates. We will normally refer to you as "you", (even if "you" are a corporation, limited liability company or limited partnership) and we may also refer to you as the "Licensee". The Guarantors, if there are any, are only referred to collectively as the "Guarantor." We have written our Agreement in this way because we want our Agreement to be as user friendly as possible amongst our licensees, and we believe that plain language drafting accomplishes this and also gives our licensees a comfort level with us. However, even though we have adopted this informal style, this is a binding contract, which is enforceable under law, and should be reviewed by your lawyers and other advisors prior to signing.

Please initial

1.3 Definitions

Where words are used frequently, we define them. Here are most (but not all) of the definitions we use in this Agreement:

- (a) "*Agreement*" means this License Agreement and all schedules to this Agreement, as well as all other agreements related to or referred to in this Agreement.
- (b) "*Academy*" or "*Steamoji Academy*" is what we call the "school" at the Location which you operate under this License Agreement.
- (c) "*Branding Fund*" means the advertising and marketing fund that will be instigated by us and operated under Article 9 of this Agreement. The amounts are specified in Schedule "A" to this Agreement.

- (d) “*Affiliate*” means, with respect to any specified person or entity, any other person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with the specified person or entity (with the terms “controls”, “controlled by” and “under common control with” having the meanings used in the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder)
- (e) “*Steamoji America Services Inc.*” means the Licensor, and as the context permits, its Affiliates.
- (f) “*Licensed Business*”, “*Steamoji Business*”, or “*Business*” means the Steamoji Academy Business which you operate from the Location (defined below) strictly pursuant to the Steamoji System and Trademarks.
- (g) “*Initial License Fee*” is the amount of money you pay us as an initial fee to acquire your licensed rights to use the Steamoji System and Trademarks for the Term of this Agreement, and which is specified in Schedule “A”. It does not include any Royalty, Branding Fund contributions, rent for your Premises, salaries or wages to your employees, the cost to build out and equip the Premises, or any other cost or expense.
- (h) “*Gross Revenues*” or “*Gross Sales*” means the aggregate of all revenues and other income from Membership Fees that are collected by us from parents who have enrolled their children in your Steamoji Academy, or which is otherwise generated from or relating to the operation of your Steamoji Academy including, without limitation, all proceeds from any business interruption insurance, the sale of all other products and services related to the Steamoji System but excluding all refunds made in good faith to arm’s length clients, any tax imposed by any federal, state, municipal or governmental authority directly on sales and collected from customers (“Sales Tax”) if such tax is added to the selling price and actually paid to such governmental authority.
- (i) “*Facilitators*” means those individuals employed or engaged by the Licensee to assist children, and their training is the responsibility of the Licensee as directed by us.
- (j) “*Location*” or “*Premises*” or means the physical premises described in Schedule “A”, for the operation of your Steamoji Academy. The Location may be the subject of a lease (or sublease). If the Premises are not specifically known at the time this Agreement is executed by us, then this information will be added to Schedule “A” by us to enable you the opportunity to secure a suitable location to be identified, and a tenancy agreement entered not to exceed 150 Days from the date this Agreement is executed by us.
- (k) “*Operations Manual*” or “*Manual*” means collectively, all operations manuals or other manuals and all books, pamphlets, memoranda, directives, instructions, teaching materials, lesson plans and other materials prepared by or on our behalf (whether in written, machine readable, or any other form, or by way of email directive, Internet or Intranet) which may be amended by us from time to time, setting out the methods, procedures, techniques, standards, and specifications of the Steamoji System to be licensed by you.
- (l) “*Computer System*” means the client management software and system directed for use by us from time to time.
- (m) “*Royalty*” or “*Continuing Royalties*” is the payment you must make to us on a monthly basis for the continued use of our System and Trademarks, and for any ongoing assistance which we may provide to you, expressed as a percentage of your Academy’s Gross Revenues plus the cost of payment processing for each transaction that is processed for

your benefit by the payment processor engaged by us (acting as your agent). The Royalty is specified in Schedule "A" to this Agreement, and paying it as and when due is a material term of this Agreement.

- (n) "*Minimum Performance Requirements*" means the thresholds prescribed in Section 7.2 of this Agreement.
- (o) "*Membership Fees*" means the regular fees paid by parents for the enrollment and participation by their children in the programs provided by a Steamoji Academy. Such monies will normally be paid directly to a payment provider and are currently as set forth on Schedule "A".
- (p) "*Renewal Fee*" is the fee payable to us for renewing this Agreement, (and is in addition to your obligation to pay us our reasonable expenses for granting you such renewal).
- (q) "*Standards*" means those Standards of operation specified by us from time to time as to the details of Steamoji System including, without limitation, hours of operation; methods of dealing with students, parents and other members of the public as well as standards of customer service; design and construction of Steamoji Academies; sources of supply for equipment and products; standards of cleanliness; use of the specific computer hardware and software mandated by us; security; payment terms; instructional methodology and other standards, all of which are required to be complied with by all Steamoji Academies.
- (r) "*System*" means the distinctive educational business format and system which involves the establishment and operation of educational facilities or "academies" for children between the ages of 6 to 15 that helps to train future builders, makers, inventors and entrepreneurs in the disciplines of science, technology, engineering, arts and math (referred to as "STEAM"), so that these children can be better prepared for the careers of the future.
- (s) "*Term*" means the length of time you have the licensed rights to operate your Steamoji Academy using our System and Trademarks, as noted in [Section 2.5](#), (and as may be renewed by you under [Section 2.6](#)), subject to the term granted under any lease, sublease or concession/occupation agreement.
- (t) "*Trademarks*" means the trade names, trade-marks, designs, graphics, logos, trade dress, and other commercial symbols as we may designate to be used in connection with the Steamoji Business from time to time including, but without limitation, any variation of the word Steamoji.

1.4 Due Diligence by You

You represent and warrant to us that:

- (a) you have fully read and understand all of the provisions of this License Agreement, and any other agreement which we have referred to in this License Agreement or which may be attached as a Schedule, and that you are fully aware of the potential risks inherent when embarking on a new business venture such as the one contemplated in this Agreement;
- (b) you have been encouraged by us to have, and in fact have had, this Agreement reviewed by legal and financial advisors of your own choosing, and will, on our request, provide us with a certificate of independent legal advice confirming that you have retained and been advised by a lawyer of your choosing respecting this License Agreement and the business contemplated by it;

Please initial

- (c) you have had sufficient time to conduct, and have conducted to your satisfaction, such other inquiries and investigations of us and Steamoji System, and where possible, you have had discussions with existing Steamoji licensees of your own choosing, as you have considered necessary; and
- (d) all representations made by any of our employees, agents or representatives are contained in this Agreement; and you have reviewed such document to your satisfaction with legal and financial advisors of your choosing.

Please initial

1.5 Entire Agreement

Although it is our hope and expectation that your relationship with us will be successful, all business ventures, especially in the highly competitive educational services industry, have risks, and there are risks involved in owning and operating a Steamoji Academy and in becoming a Steamoji Licensee. Accordingly, you acknowledge that you are fully aware of those risks, and that the decision to apply to become a Steamoji Licensee, and the subsequent decision to execute this License Agreement and the other agreements referred to or contemplated in this Agreement was yours after a thorough and comprehensive investigation by you, and with the assistance of legal and financial advisors of your choosing. You confirm that you have not received or relied upon any guarantees, express or implied, as to the revenues, sales, profits, or potential success of Steamoji Business venture contemplated by this Agreement or any other matter which is not specifically contained or referred to in this Agreement or its schedules. You further acknowledge that any information obtained in the course of your due diligence from other Steamoji licensees relating to sales, profits, or otherwise does not constitute information obtained from us, or from our Affiliates and that we make no representation as to the accuracy of any such information. You further acknowledge that you have not received or relied on any representations about the license made by us, our affiliates, or our officers, directors, employees, or agents that are not contained in this Agreement, the schedules or the other agreements referred to in or contemplated by this Agreement. You confirm that this License Agreement supersedes all oral or written understandings, negotiations, discussions, and agreements respecting the business relationship between the parties as covered by this Agreement. Nothing in this License Agreement, or in any related agreement, however, is intended to disclaim the representations that we made in the franchise disclosure document that we furnished to you.

Please initial

1.6 No Misrepresentations Have Been Made by You or the Guarantor

Neither you, your principals, nor the Guarantor have made any untrue statements of fact or misrepresentations in applying for and obtaining this license and other rights contemplated by this Agreement, nor will you in any way, misrepresent any fact to us while you are bound to this Agreement.

1.7 No Inconsistency

You also acknowledge and agree that we are relying on you to bring forward in writing, at the time this Agreement is executed by you, any matters inconsistent with the acknowledgements made by you and contained in Section 1.4, 1.5 and 1.6 above. You agree that if any of the statements or matters described in Section 1.4, 1.5 or 1.6 (or otherwise) are not true, correct, and complete, then you will make a handwritten statement next to your signature on the execution page of this Agreement so that we may address and resolve any issue(s) at the time of such execution.

Please initial

1.8 Owner Operator

You acknowledge that we have granted this license on the material representation that the person(s) designated in Schedule "A" to this Agreement are "owner-operators" and shall participate actively on a full-time and best efforts basis in the management and operation of the Licensed Business unless we have consented to the appointment of a full-time academy director trained by us.

2. GRANT, LOCATION, TERM AND RENEWAL

2.1 Grant and Location

We hereby grant to you the right and license to operate a Steamoji Academy utilizing our System and Trademarks at and from the Location specified in Schedule "A," upon the strict terms and conditions of this Agreement, and you hereby accept such grant. If the Location is not determined at the time of entering into this Agreement, both you and we shall reasonably agree upon the Location within a reasonable time not exceeding 150 days from the date this Agreement is executed by us, and the address of the licensed Location shall be added by us to Schedule "A" when such Location is determined. The Location may not be within 6 miles of any other Steamoji Academy location, without our written consent and that of the Steamoji Academy location owner (if licensed)[, each in its sole discretion].

2.2 Territory

We will normally grant our licensees a protected but non-exclusive territory around the Location (the "Territory"), which is a function of the number of households and school-aged children who reside within a particular area surrounding the Location together with other demographic factors. Subject to our rights under Section 2.4 and otherwise, if a Territory is granted to you, and so long as you are not in default under this Agreement or any other agreement between you and us (or our Affiliates), we agree not to franchise or license to another (or operate on our own account) a Steamoji Academy or any other face-to-face educational business that teaches 6-15 year-old children a curriculum based on the Steamoji System and Trademarks at a location within the Territory. If we award you a Territory, the specific boundaries will be specified in Schedule "A" attached hereto. You acknowledge the limited nature of the protection granted, and that we are not granting an exclusive trading territory to you, but rather, are granting you a territory around the Location which is protected from having another Steamoji Academy located directly within it except in circumstances where you are in default, or in accordance with Section 2.4. Given that some parents may find it more convenient to enroll their children in a Steamoji Academy nearer to their place of work, while others would prefer to enroll their children in a Steamoji Academy nearer to their home, you agree that we and our other licensees are free to solicit students for their respective Academies from anywhere, including from within any Territory granted to you.

2.3 Reservation of Rights

- (a) Notwithstanding any grant to you of a Territory, we reserve the right to market and distribute products and services (including educational products and services) under the Steamoji Trademarks to the public through alternative channels of distribution, or under a different business system, format, delivery or distribution methodology, business model, nature or style to the Steamoji Business licensed under this Agreement;
- (b) We may acquire, be acquired by or merge with a competing business which may continue to sell or begin to sell similar products and services under different trademarks at locations anywhere in the United States, including within the Territory; and
- (c) Notwithstanding any other provision of this Agreement, we may on our own account, or through an Affiliate, acquire, develop, operate, or license any form of business anywhere which is not specifically granted and licensed to you under this Agreement; and we may do so under the same, a similar or a different trademark; and any such form of business may be competitive with the Licensed Business but operate under a different trademark and we shall incur no liability to you in connection therewith.

2.4 General Geographic Area Rights Reserved to Us

We expressly reserve the right from time-to-time to operate or to grant to any other person, a license to operate a Steamoji Academy which is located in the general geographic area of and which may be nearby but not within any Territory granted to you. We will act reasonably in the exercise of such rights and assessing the market demand or support for any such additional locations. It is further understood that such

additional locations may include, but shall not be limited to, locations of a different nature or style than your Steamoji Academy, or having different hours of operation or catering to a different customer base.

2.5 Location and Size of Protected Territory May Affect Initial License Fee

We reserve the right to charge a higher Initial License Fee in circumstances where, for demographic or other reasons either the Location, or the Territory around the Location, is larger, more populous or in our reasonable opinion has a more commercially valuable demographic or clientele mix, than where we normally expect to grant licenses.

2.6 Term and Effective Date

The Term of this License Agreement and all renewals shall be as specified in Schedule "A" attached hereto. However, notwithstanding any other provision of this Agreement, in no event shall any term of this License Agreement exceed the term of any lease, license or concession agreement for the Premises, and this Agreement shall be construed accordingly.

2.7 Renewal

If, upon expiry of the Term of this Agreement, you are in compliance with all of the material terms and conditions of this Agreement, and:

- (a) You have the right to remain in possession of the Premises for the length of the renewal term described below; and
- (b) We are still offering Steamoji licenses;

then, subject to this section and the provisions of Schedule "A" attached hereto, specifying the length of any renewal term, we will not refuse to renew unless you have failed to meet the then current terms and conditions of renewal as specified herein. Accordingly, subject to Schedule "A", the terms and conditions for the renewal of this Agreement are as follows:

- (i) you must notify us in writing at least seven (7) months prior to the expiry of the Term, that you wish to exercise your option to renew, and your Renewal Fee must accompany your notification;
- (ii) your option to renew shall only be effective if, at the time of its exercise and at the time of commencement of the Renewal Term, you shall have fully complied with all of the material terms and conditions of this License Agreement (and all other agreements between you on the one hand and us and/or our Affiliates on the other);
- (iii) you have the right to remain in possession of the Location under your lease or sublease for the Renewal Term;
- (iv) for Steamoji Academies, we are satisfied, acting reasonably, that you will have the right to use the Premises under the licensing/concession/tenancy agreement at the community recreational center, library or other center satisfactory to us during the Renewal Term;
- (v) you and any Guarantor required by us shall execute and deliver to us a new License Agreement (and if required by us, any other agreement required by us when we enter into new license agreements) for the Renewal Term in our then-current standard form, which may include terms and conditions which differ from those contained in this Agreement, including but without limitation, the amount of

Royalties and other fees and charges. However, you shall pay no Initial License Fee for the renewal agreement;

- (vi) you and all individuals who have signed this Agreement shall, at our option, execute a release of any claims you and they may have against us, our Affiliates and our (and their) respective directors and officers, in a form satisfactory to our attorneys;
 - (vii) you shall carry out our required upgrading, replacements, repairs and improvements to the Premises and the equipment, technology, and software we prescribe for use by us for Steamoji Academies in order to conform to our then-current image, standards and specifications. This means that you may be required to make such capital expenditures for the modernization and refurbishing of the Premises and all fixtures, furnishings, technology, equipment and signs as we reasonably determine;
- (c) You shall also pay us a Renewal Fee in an amount specified in Schedule "A" attached hereto, the payment of which shall be a condition of our granting consent to the renewal;
 - (d) You acknowledge that we will incur legal and other expenses in connection with the renewal, and accordingly, you shall reimburse us for our reasonable actual legal expenses incurred in connection with the renewal; the payment of which shall be a condition of our granting consent to the renewal; and
 - (e) You agree that each of the foregoing conditions precedent are true conditions precedent to any right of renewal hereunder. We shall have the right to nullify and thus effectively veto any proposed or purported renewal of this Agreement and the license granted hereunder based upon non-compliance with any of the foregoing conditions precedent and our insistence upon your strict compliance with any of these conditions precedent shall not be interpreted or treated as unreasonable.

At the conclusion of the renewal term provided for under this Agreement, then the rights granted hereunder shall end and at our option, we may purchase your assets and/or the equipment at the Premises, in the manner specified in [Section 12.18](#).

2.8 System Change - We Have the Right to Change Our System

We shall have the right to make changes, modifications or additions to our System as described herein from time to time by reasonable notice in writing to you. You acknowledge that some of these changes may be material and may involve required expenditures due to the addition or substitution of new technology, new equipment, new ways of delivering our educational curriculum, an expanded curriculum, new subject areas, an alteration of specifications or Standards, or an alteration or modification or substitution of the Trademarks requiring a change or modification to your technology, equipment mode of delivery and branding. Upon receipt of our notice under this section, you agree to comply with and carry out all such changes, modifications, and additions, and to undertake and satisfactorily complete any additional training requirements, at your own expense, within the time reasonably specified by such notice, as if they were a part of our System at the time of execution of this Agreement.

3. TENANCY AND DEVELOPMENT

3.1 Lease of Premises from a Third Party Landlord

- (a) You will lease the Premises directly from a landlord of such Premises. You will not enter into any offer to lease or lease for the Premises until you shall first have submitted the proposed offer to lease or lease to us and we have given our written approval of the location

of the Premises and the terms and conditions of the proposed offer to lease or lease, such approval not to be unreasonably or arbitrarily withheld or delayed;

- (b) We may request that the Lease contain terms satisfactory to us to protect our third party beneficial interest in the Premises as an operating Steamoji Academy, such as a conditional assignment of lease, tripartite agreement or other agreement to the effect that:
 - (i) the landlord will agree to notify us in the event of any breach or default of the Lease by you, or any failure by you to exercise a right of renewal of the Lease, or any application by you for consent to assign or sublet the Lease, and that the landlord will allow us the right to cure the breach or default or exercise any right of renewal in the place and instead of you and to succeed to the rights of you as the Lessee under the Lease, or to also give our consent to the proposed assignment or subletting; and
 - (ii) the landlord will recognize an assignment of the Lease from you to us carried out pursuant to the terms of this License Agreement.

Rather than requiring a conditional assignment of lease be included in the Lease, we may require that you and the landlord enter a separate Conditional Assignment of Lease with us in the form attached as Schedule "D".

- (c) You shall not assign or sublet the Lease during the term of this Agreement without first offering the assignment or subletting to us and if we do not accept the assignment or subletting to ourselves within ten (10) days, then you may only assign or sublet the lease with our prior written consent, such consent not to be unreasonably or arbitrarily withheld or delayed;
- (d) Any monies expended by us to cure a breach or default or to pay any arrears owing by you under the Lease shall be deemed to be additional sums due to us hereunder and shall be paid by you to us immediately upon demand; and
- (e) You agree that we may negotiate directly with the Landlord in respect of the above matters, and that if the landlord enters into an agreement for the aforesaid purposes with us, then you shall also enter into and execute the said agreement with the landlord and us.
- (f) If the landlord offers or pays us any tenant inducements or offer any free rent periods, we will either direct them or pay them over to you.

3.2 Development of Premises

You shall be responsible for the development of the Premises according to our standard sample plans, specifications, layout and design; the details of which shall be provided to you. You shall be responsible for all costs associated in any way with such development. It shall be your responsibility to have prepared all specific construction plans and specifications to suit the shape and dimensions of the Premises based on our standard sample plans and specifications, as our sample plans are general in nature and provided for guidance only. You must ensure that your construction plans and specifications comply with all applicable ordinances, building codes, fire department and other permit requirements and with lease or sublease requirements and restrictions. We shall help you design the Premises, but the ultimate responsibility for, and risk related to, the design is strictly yours. At your complete expense, you must obtain a development permit and building permit to develop the Premises within any reasonable time prescribed by us. Additionally, it shall also be your responsibility to:

- (a) Obtain all required occupancy, utility, health, sign and business permits and licenses and any other required permits, legal requirements or and licenses;

- (b) Construct all required improvements to the Premises and to equip it and decorate it in compliance with our standards and specifications (including color scheme);
- (c) Obtain and install all fixtures and equipment required by us for use in a Steamoji Academy; and
- (d) Obtain and install all other furnishings and signs as required by us for the Steamoji Academy including indoor and/or outdoor signage (as the case may be).

A list of the furnishings, fixtures, equipment, signs and initial supplies and inventory to be installed at the Premises may be attached as part of Schedule "A" or will be added to Schedule "A" hereto as soon as the same has been settled by us.

We have the right to inspect the construction and development of the Premises from time to time to ensure you are in compliance with your obligations. If the Premises are abandoned by you, or if the development of the Premises cannot, in our reasonable opinion be completed by you, or if the development of the Premises cannot be completed in a timely manner or pursuant to your development schedule owing to factors including your inability or unwillingness to pay for such development, then we, acting reasonably, may terminate this License Agreement, and any other agreement between the parties.

3.3 Requirements of Opening of Steamoji Academy

You shall promptly complete all work, which is your responsibility, and have all requirements attended to so that Premises are open for business as promptly as is practicable. The Premises shall not be opened without our prior written approval, which approval shall not be unreasonably withheld or delayed. You shall open your Steamoji Academy within five days after determination by us that the Premises are in suitable condition and that you and your staff have been successfully trained according to the Steamoji Standards.

3.4 Opening for the First Time

You will not open your Steamoji Academy, nor will you commence business until:

- (a) all of your obligations pursuant to this Article 3 have been fulfilled to our satisfaction;
- (b) we determine that your Steamoji Academy has been constructed, decorated, furnished, equipped in accordance with our approved plans and specifications;
- (c) we have been furnished by you with copies of all insurance policies or such other evidence of insurance coverage and payment of premiums as we may request;
- (d) you and your managers and Facilitators have successfully completed our training;
- (e) if applicable, you are licensed by all appropriate licensing authorities within the State in which you operate and you have provided to us evidence of such licensing and such license is current and has not been suspended or cancelled; and
- (f) we have given you prior written approval to open.

Once we have determined the Steamoji Academy is ready for opening, you shall have five (5) days from such determination to actually open your Steamoji Academy. In no event shall you take longer than two hundred and ten (210) days from the Effective Date of this Agreement (as prescribed in Schedule "A" attached hereto) to construct, develop, equip, complete initial training and open your Steamoji Academy, unless we reasonably consent in writing to such longer time period.

If you fail to (i) commence your Initial Training Program within 90 days following the Effective Date of this License Agreement, or at such other date that we and you may agree in writing, or (ii) open your Licensed Business within 210 days following the Effective Date of this License Agreement (provided that you have obtained all certificates or licenses required to operate the Licensed Business), we may terminate the License Agreement, and we will not refund any portion of the Initial License Fee, Startup Fee or Technology Fee or other fee to you.

3.5 Relocation of Your Academy

You may operate your Steamoji Academy only at and from the Premises and may not relocate except with our prior written consent. If, prior to the expiration of this Agreement your lease, sublease or concession license (as the case may be) expires or terminates without default by you, or the Premises are destroyed, expropriated, condemned or otherwise rendered unusable, or if, in our judgement exercised reasonably and in good faith, there is a change in the character of the location of the Premises sufficiently detrimental to your Location's business potential to warrant relocation, we will either grant our permission upon your request for relocation of the Steamoji Academy, or we may, by giving written notice to you to that effect, require that you relocate to a new premises acceptable to us. We may require such relocation notwithstanding that we originally approved the Premises as the original site for operation of the Steamoji Academy. Any such relocation to new premises shall be conducted in accordance with the provisions of this Agreement and specifically such provisions that apply with respect to new premises. Any such relocation shall be at your sole expense and we shall have the right to charge you for any costs and expenses incurred by us together with a reasonable fee for our services in connection with any such relocation.

4. TRAINING

4.1 Your Training

- (a) Shortly after the execution of the License Agreement, you will commence your initial eight week training program, which will be conducted online. When we determine an approximate date of the opening of your Academy (based on your construction schedule), you will commence your final eight weeks of online training. Approximately 30 days prior to the opening of your Academy, you/your principal owner and/or your Academy Director (as prescribed by us) will attend at our offices in Redmond, Washington or at another location prescribed by us, for a week of in person training.
- (b) We will pay no compensation for any services performed by trainees during such training and all expenses incurred by you or the trainees in connection with such training shall be for your account. Such persons must also make their own travel and accommodation arrangements, as travel and accommodation costs are not provided by us;
- (c) The persons designated by us for training shall satisfactorily complete offsite training prior to the opening of the Steamoji Academy. You acknowledge that our training programs and materials are proprietary confidential information forming part of our System;
- (d) If additional assistance or training over and above that provided by us is required or requested by you at any time, the parties shall discuss and reasonably agree upon what is required and we will furnish such additional assistance or training. We reserve the right to charge a reasonable fee, together with our reasonable expenses incurred in providing any additional assistance or training; You/your principal owner and your Academy Director;
- (e) You must complete the initial training program to our satisfaction before your Steamoji Academy opens. If you, your principal owner or your Academy Director fails to complete our training program to our satisfaction, you/they must re-take the training program until you/they successfully complete it to our satisfaction. You will not be permitted to open your

Steamoji Academy until the initial trainees have completed the training program to our satisfaction.

- (f) We reserve the right to hold a meeting with individual, some or all of our licensees, when we believe it is beneficial to do so. We may also hold conferences or conventions from time to time either in person, by telephone, or online video conference, and your attendance (and that of your employees who we designate) is required for such conference, convention or meeting. There may be a separate fee for any convention, conference or annual meeting; and you must pay for all your own expenses (including those of any employees who we designate), and those of any guests you bring, including travel, lodging, meals and applicable wages. We may designate the location for the licensee meeting, including a hotel for our licensees to stay, but we will not designate an unreasonably expensive location.
- (g) We have the right to use your Steamoji Academy to train new licensees and their employees and if we exercise this right, we will pay you a reasonable fee for such use, as may be specified in Schedule "A" attached herein. We will not unreasonably disrupt the operations of your business and no compensation shall be payable by you to any trainee of ours, nor shall you be responsible for the management and supervision of such trainees.
- (h) The Licensed Steamoji Academy must be open for business no later than 60 days after your completion of our initial training program or as may be agreed to by us in writing.

You acknowledge that we have granted this license on the representations of the person(s) designated in Schedule "A" to this Agreement shall participate actively on a full time basis in the management and operation of the Business. You shall not appoint replacement management personnel without our prior written approval which will not be unreasonably withheld or delayed. But in granting such approval, we may prescribe, as a condition thereof, that any such replacement management personnel satisfactorily complete the training requirements set out herein. We reserve the right to charge a reasonable standard fee and our reasonable costs and expenses incurred in providing such training;

4.2 Facilitator Training

You acknowledge and agree that it is of fundamental importance to the operation of your Steamoji Academy that all Facilitators employed or engaged by you receive the appropriate training to capably perform their duties and responsibilities in accordance with the standards and specifications established by us. Therefore, all Facilitators of your Steamoji Academy must complete the required Facilitator training program (the "Facilitator Training Program") which shall be provided by you, and you shall be solely responsible for training all new employees or independent contractors who will be involved in instructing or teaching students, to ensure that they are continuously adequately trained to perform their services in connection with the Steamoji Academy.

4.3 Refresher and Additional Training Programs

You and such managers, Facilitators, supervisory and other employees as made from time-to-time be required by us, shall attend at your own expense, shall successfully complete all subsequent training for managers, Facilitators, replacement key personnel, retraining or refresher courses or programs which we may conduct from time-to-time and require you and your employees to attend. These may be conducted by way of telephone conference or online video conference.

5. FEES

5.1 Initial License Fee

As part of the consideration for the licensed rights granted hereunder, you shall pay to us an Initial License Fee in the amount specified in Schedule "A", of which any deposit previously paid by you shall form a part, and which shall be paid in full concurrently with the execution of this Agreement or as may be otherwise prescribed in Schedule "A". The Initial License Fee shall be deemed to have been fully earned by us upon the granting of this license, and no portion of the Initial license Fee shall be refundable to you, unless as otherwise specifically set forth herein.

5.2 Continuing Royalties

In addition to the Initial License Fee, you shall pay to us a non-refundable monthly Royalty expressed as a percentage of the Gross Revenues from your Steamoji Academy. Such amount is specified in Schedule "A" attached hereto;

5.3 Technology Fees

In addition to royalties and other monies due and payable to us under this License Agreement, must also pay to us an initial technology fee in the amount specified in Schedule "A" attached hereto, and any monthly technology fees prescribed by us.

5.4 Design Package Fee

When invoiced by us, you must also pay us a design package fee in the amount specified in Schedule "A" for the design related services to be performed by us as described in Schedule "A".

5.5 Quarterly or Monthly Reporting

At our option, you shall provide to us on a quarterly basis, using QuickBooks Online (or other approved accounting system) on or before the fifteenth (15th) day of each quarter, an income and expense statement and a balance sheet, as well as other operational reports directed by us, in such form and detail as shall from time to time be reasonably required by us in respect of the Business during the preceding three months. At our option, we can require such reporting to be made on a monthly basis.

5.6 Annual Reporting

At our option, you shall provide to us on an annual basis, within ninety (90) days following the end of each fiscal year, a financial statements (including a balance sheet and a profit and loss statement) for the Business for the preceding fiscal year, prepared in accordance with generally accepted accounting principles applied on a consistent basis from year to year, which shall be certified accurate by you and which shall contain such detail as shall from time to time be reasonably required by us in respect of the during the previous fiscal year.

5.7 Payment of Ongoing Fees

- (a) Parents/guardians of students enrolled in your Steamoji Academy will normally pay Membership Fees and other program sales to a payment provider (i.e. Stripe) that we contract with on your behalf acting as your agent. The payment provider will first deduct its fees and then will simultaneously pay us the Royalty and Branding Fund fees, and other applicable fees specified by us and disburse the balance to you. These payments are made on a three-business day rolling schedule after receipt by the payment processor. You will be required to make remittances for Sales Tax, to the applicable tax authorities, on all Membership Fees and other program sales paid to the payment provider by parents/guardians of students enrolled in your Steamoji Academy, and provide to us, on demand, proof of filing such returns and making such remittances. You will also be responsible for, and the payment provider may deduct along with its fees, any taxes applicable to the services it provides to you.

Please initial

- (b) There may be limited circumstances where you directly collect fees (for example, where the Steamoji Build to Solve curriculum is provided, or for promotional merchandise, pop-up programs or in other authorized circumstances where monies are collected by you). In such cases, you shall pay us directly the prescribed Royalty and other fees specified in Schedule "A" to this Agreement. You will be required to make remittances for Sales Tax, if applicable, on any fees or other amounts paid directly to you, and provide to us, on demand, proof of filing such returns and making such remittances.
- (c) We may arrange, on your behalf, for a payment processor facility such as Stripe to handle all payment processing. As provided in Section 5.6(a), any charges for such processing will be deducted from amounts that the processor receives from parents/guardian of students enrolled in your Steamoji Academy, thereby reducing the balance that you will receive.
- (d) If we discover that the payment provider is in material breach of the agreement that we entered into with it, on your behalf, because payments to you are being inordinately delayed, we will use commercial reasonable efforts to implement an alternative method of payment until such time as such breach is corrected.

5.8 Overdue Payments

Notwithstanding our right to terminate this Agreement for non-payment or late payment pursuant to sections 8.4, 12.1, 12.2 or otherwise, all your overdue payments shall bear interest from the due date until paid at the lesser of (i) the rate of eighteen percent (18%) per annum, or (ii) the highest rate permitted by applicable law. All such overdue interest shall be calculated at the aforesaid effective annual rate and then paid to us on a weekly basis.

5.9 All Payments are Net to Us

You acknowledge that all monies required to be paid to us under this Agreement (or any sub-licensing agreement, equipment lease, computer system license or any other agreement) including, but without limitation, the Initial license Fee and the Royalties, constitute the full amounts to be paid to us, net of any Sales Taxes or other taxes which may be payable in connection therewith and which you are liable to pay as required by applicable law in addition to the amounts required to be paid to us.

5.10 Application of Payments

For the purposes of this Agreement and all other agreements entered into between us and our Affiliates and you and your Affiliates relating to the Licensed Business, we may treat any payments received from you as payments on account, and may apply any such payments on account to the payment of any amounts payable by you to us or our Affiliates in any order of payment that we in our sole discretion may determine from time to time, and notwithstanding any contrary designations by you as to the application of any such monies.

6. OUR GENERAL OBLIGATIONS AS YOUR LICENSOR

6.1 General Obligations

- (a) We shall furnish you with:
 - (i) one (1) copyrighted Operations Manual on loan for use in your Steamoji Academy and all revisions made by us from time to time. Such manual may be in print, DVD, cloud-based or otherwise or on-line;
 - (ii) STEAM Curriculum;

- (iii) advertising, marketing and promotional methods and materials acquired or developed by us from time to time (at our then current charge for same), and our suggested methods of conducting your local market advertising and promotion;
 - (iv) periodic communications regarding new ideas and developments pertinent to Steamoji Academies; and
 - (v) periodic visits to your Steamoji Academy for the purposes of consultation, assistance and guidance to you.
- (b) We shall furnish you with our specifications and quality Standards regarding the curriculum and teaching methodologies to be offered; and
 - (c) We shall license to you the use of our System and the Trademarks so long as you are in compliance under this Agreement and our Standards.

7. YOUR CONTRACTUAL OBLIGATIONS; WHAT YOU MUST DO TO REMAIN A LICENSEE OF OURS

7.1 You must operate your Steamoji Academy pursuant to this Agreement and our Standards

In order to maintain the high-quality standards expected by our parents and students, and in order to protect your investment and the investment others have made in Steamoji, you agree to the following:

- (a) to operate your Steamoji Academy according to our System and Standards (as may be amended from time to time by our Operations Manual), and not to carry on any business other than the Steamoji Academy at the Premises;
- (b) to allow the payment provider to collect Membership Fees in respect of your Steamoji Academy and remit to us all Royalty along with Branding Fund contributions and other regular amounts due to us.
- (c) to comply at all times with all federal, state, and local laws, regulations, bylaws, orders, rulings, ordinances, and permits having application to your Steamoji Academy (including, without limitation, applicable licensing and regulation for educational facilities); and compliance with all governmental enactments and regulations relating to:
 - (i) Employee safety and Workers' Compensation;
 - (ii) Employment Insurance;
 - (iii) Social Security;
 - (iv) Federal, State and local income taxes and Sales Taxes (as may be applicable);
 - (v) Human Rights and Fair Labor Standards;
 - (vi) Privacy;
 - (vii) applicable laws and regulations relating to the education of children; and
 - (viii) Source Deductions for salaries of employees.
- (d) specifically, you agree to obtain and to maintain in force, all required licenses, permits, permissions, approvals, insurance coverage and certificates relating to the operation of

your Steamoji Academy at the Premises and you acknowledge that you are solely responsible for investigation of all regulations and permits applicable to the Licensed Business and for obtaining all necessary permits to operate it;

- (e) unless we have specifically consented in writing, to ensure your Steamoji Academy is at all times under your direct, on-premises supervision;
- (f) to continuously exert your best efforts to promote and enhance the Steamoji Academy and to participate in all promotional advertising and marketing programs, campaigns and cooperatives developed by us;
- (g) to not disclose to any person (except your lawyers, and accountants.), the contents of this Agreement, or the terms of any other agreement between us and you, or you, us or any supplier); it being acknowledged and agreed by you that the terms of any such contracts constitute our confidential trade secrets disclosed to you and conditions of trust;
- (h) to maintain at all times a suitable organization and a sufficient number of trained personnel and Facilitators to manage and operate the Steamoji Academy, as determined by us;
- (i) install and utilize video camera equipment as directed by us and permitted under applicable law to ensure the safety and security of the Steamoji Academy, it's Facilitators, staff and students, and permit us occasional access to your video feed, video archives and online access to Your computers to audit the quality of teaching at the Steamoji Academy;
- (j) to allow us or our representatives to inspect your Steamoji Academy;
- (k) to comply with all Standards which we have determined as essential to Steamoji System and to be followed by all our licensees, as specified and communicated to you in our Operations Manual;
- (l) lease or purchase a vehicle for use in the licensed business, which vehicle will bear Branding indicia as directed by us;
- (m) comply with our social media policies as set out in the Operations Manual, and to ensure that its employees and independent contractors are aware of and comply with such policies;
- (n) If required by us, utilize a central telephone number system controlled and operated by us;
- (o) to direct all inquiries to us that you may receive for those interested in acquiring a Steamoji Academy so that we may directly contact such person or persons;
- (p) for purposes of advertising and public relations, to allow us to make, reproduce and publish photographs, videos and other media utilizing you and your Facilitators individually and collectively and you will reasonably cooperate with us in this regard. To that end, you will use your best efforts to obtain written consents from your Facilitators in compliance with applicable privacy legislation. Parents will have the option to keep images of their children private.
- (q) To maintain all equipment, signs, decorations, fixtures, furnishings, and improvements used in connection with the Steamoji Academy in good order and repair and to cause the same to be promptly replaced as they become worn, damaged, obsolete, out of style, or impaired. To that end, the reputation and goodwill of the Steamoji System is based upon, and can be maintained and enhanced only by the use of high-quality equipment and supplies. Accordingly, you acknowledge and agree that you will not, our prior written

approval, use or authorize your employees to use any equipment or supplies not authorized by us;

- (r) not to display at the Premises, without obtaining our prior written approval, any signs which are not authorized by us or which do not bear the Trademarks;
- (s) To assure that our Standards are followed, and to gather information about customers and potential customers, you shall provide us with all customer and prospective customer contact information including email, telephone and mailing address. We shall have the right to contact customers and prospective customers to determine if you are satisfactorily meeting all our instructional and safety requirements, the quality of the services the level of satisfaction required by us, your business practices or other aspects of the operation of the Steamoji Academy by you that we determine to be relevant. You will make every effort to satisfy any customer or prospective complaints or problems as we request or that may otherwise be brought to our attention;
- (t) to maintain at all times arrangements with such credit and debit card issuers and E-transfer payment methods as we may advise from time to time (without precluding your ability to make your own arrangements with additional credit and debit card issuers not specified by us) to deal with those circumstances where money is being collected directed by the Academy (for example, where the Steamoji Build to Solve curriculum is provided, or for promotional merchandise, pop-up programs or in other authorized circumstances where monies are collected by you). In such cases, you shall pay us the prescribed Royalty and other fees specified in Schedule "A" to this Agreement;
- (u) to pay when due all taxes, expenses and surcharges of any kind levied or assessed by any and all governmental bodies or agencies, whether local, state, or federal, by reason of or in connection with your operation of the Steamoji Academy;
- (v) You will be required to make remittances for Sales Tax as the case may be, and provide to us, on demand, proof of filing such returns;
- (w) to utilize the curriculum and teaching methodologies mandated by us from time to time for use in your Steamoji Academy;
- (x) to carry on your Steamoji Academy in a manner which does not reflect adversely upon us or the System or the Trademarks, or which is not likely to depreciate the goodwill associated with any of them;
- (y) to make all required payments to, or on behalf of, your employees and contractors as and when such payments are due and to pay all required source deductions and tax remittances as and when due;
- (z) to advertise and operate your Steamoji Academy and deal with all parents, students and employees in an honest and ethical manner;
- (aa) to perform all operations of the Steamoji Academy in a health conscious, safe and responsible manner;
- (bb) to keep your Steamoji Academy open for business during the times reasonably prescribed by us from time to time for our System in the Operations Manual, subject to compliance with applicable laws and the lease, sublease or concession/facilities agreement for the Premises;

- (cc) to continuously use the Premises only as and for a Steamoji Academy under any lease or sublease during the term of this Agreement;
- (dd) to continuously allow us to remotely access your POS System and information thereon to assess sales and other information without interference by you or any other person. If this requires a dedicated Internet connection, then you will ensure that such connection is not interrupted or disconnected or otherwise prevents or limits our access to the POS System and the information on such system, unless such Internet connection is interrupted or disconnected by the service provider due to a power outage, or other technical issue with the Internet;
- (ee) unless we have specifically consented in writing, you (and those owner operators specified in Schedule "A") shall devote your (and their) full time and best efforts to actively conduct the Steamoji Academy at the Premises in accordance with the terms and conditions of this Agreement;
- (ff) to procure and maintain during the term of this Agreement insurance against the insurable risks and for not less than the amounts of coverage which may be specified by us from time to time, and in particular, to procure and maintain the following insurance coverage:
 - (i) insurance coverage on a generally accepted "all risks" form for the Academy and the leasehold improvements therein, and the equipment, fixtures, furnishings, software and hardware, signs, supplies and inventory used in the Academy replacement cost;
 - (ii) workers' compensation insurance as required by applicable law;
 - (iii) comprehensive general liability insurance against civil public liability, including personal and bodily injuries or death and damage to or destruction of property in at least the amount of at least Five Million Dollars (\$5,000,000) per person or occurrence with no aggregate coverage limits and with the following additional endorsements or coverage: personal injury liability; non owned automobile; blanket contractual liability; contingent employer's liability; products liability; completed operations liability; occurrence basis property damage; and employees added as additional insureds;
 - (iv) automobile insurance coverage;
 - (v) We may require you to obtain and keep current additional policies of insurance that we believe are required for the operation of an educational facility;
 - (vi) You may also obtain such other or additional insurance as you deem proper in connection with your operation of the Steamoji Academy;
 - (vii) You must require tenant's legal liability insurance on a generally accepted all risks form in at least the amount specified in the lease for the Academy premises.
 - (viii) All such policies of insurance shall be primary and non-contributory, shall name us as an additional insured, and shall provide that we shall receive at least thirty (30) days prior written notification of any cancellation, termination, expiry, amendment or modification thereof that is material to this Agreement;
 - (ix) You shall provide certificates evidencing such required insurance coverage to us prior to opening the Steamoji Academy and prior to each expiry date of such insurance policies;

- (x) Nothing contained herein shall be construed as a representation or warranty by us that such insurance as may be specified by us from time to time will insure you against all insurable risks or amounts of loss which may or can arise out of or in connection with the operation of your Academy; and
- (xi) Maintenance of any such insurance and compliance by you with your obligation under this paragraph shall not relieve you of your liability under the indemnity provisions of this Agreement;
- (gg) to collect customer information and to obtain appropriate permissions to allow us to collect and/or use customer information for business purposes and to contact customers through newsletters, e-letters, promotions in accordance with **section 10.9** herein and otherwise; and
- (hh) as and when required by us, obtain and provide to us criminal records checks for all directors, officers, Facilitators and other individuals required by us or who will otherwise have any contact with students.

7.2 Minimum Performance Requirements

You must, in every year of this Agreement, reach or exceed the Minimum Performance Requirements specified below. "Minimum Performance Requirements" means the following thresholds:

- One hundred thousand dollars (\$100,000) of Gross Sales in the first twelve (12) month period following the opening date of your Academy;
- One hundred seventy-five thousand dollars (\$175,000) dollars of Gross Sales in the second twelve (12) month period following the opening date of your Academy;
- Two hundred, twenty-five thousand dollars (\$225,000) dollars of Gross Sales in the third twelve (12) month period following the opening date of your Academy;
- Two hundred fifty thousand dollars (\$250,000) dollars of Gross Sales in the fourth twelve (12) month period following the opening date of your Academy;
- Two hundred fifty thousand dollars (\$250,000) dollars of Gross Sales in the fifth twelve (12) month period following opening date of your Academy; and
- Two hundred fifty thousand dollars (\$250,000) dollars of Gross Sales in each twelve (12) month period thereafter (including such periods during any renewal term that may be awarded) plus a compound annual increase in Gross Sales of ten (10%) percent per twelve (12) month period, or a lower compound annual increase determined by us in our discretion for any renewal term that may be awarded.

Failure to meet or exceed your Minimum Performance Requirements constitutes a default under this Agreement pursuant to Article 12, entitling us to terminate this Agreement.

7.3 Importance of Uniformity

You acknowledge and agree that every detail of your Steamoji Academy is important, not only to you, but to us, our, our Affiliates, our parents and students and other current and future licensees within our System so that collectively, we can maintain a reputation for operating Steamoji Academies consistently, with uniformity, and at the highest standards as a leader in education. To protect the brand, your respective

position in the marketplace, and the continued patronage of our respective customers, we have created certain Standards respecting aspects of our System, including those that deal with:

- (a) certain educational products and services to be offered or not offered at all Steamoji Academies;
- (b) cleanliness, function, and appearance of Steamoji Academies;
- (c) quality teaching, instruction and interpersonal relationships with parents, students and others;
- (d) training of employees and Facilitators of the Steamoji Academy;
- (e) use of the Trademarks and copyrighted designs, artwork, and materials;
- (f) use of specialized equipment;
- (g) use and retention of standard forms and reports;
- (h) use of signage, displays, standard formats, and similar items;
- (i) advertising form, content, and methods;
- (j) use of specified computer systems;
- (k) use of Internet, social media use by you and your employees;
- (l) all dealings and communications with parents and students; and
- (m) management of your business;

You acknowledge and agree that all Standards and operating procedures in our Operations Manual which we prescribe from time to time as mandatory relating to the operation of your Steamoji Academy are of the essence of this Agreement and that it is of the utmost importance and of great value to us and to all other Steamoji licensees to maintain uniformity within and integrity of our System.

7.4 Scorecards

At the end of each month, you will promptly complete and submit to us a survey of key performance indicators in a form provide by us. We will provide you with monthly scorecards that evaluate your performance, including, in our sole discretion, a comparison of your performance to that of other Steamoji Academies. You will take all action necessary to improve your performance as identified in the monthly scorecards. You consent to us sharing your performance information with other Steamoji Academies, including those of our Affiliates.

7.5 Notification of Legal Proceedings and Crisis Management Events

You shall notify us, in writing promptly (but in any event within two (2) days) after you receive notice of any violation, report, fine, or the like from a governmental authority, or the commencement of any investigation, action, suit or other proceeding, or the issuance of any order, writ, injunction, award or other decree of any court, agency or other governmental authority, that pertains to your Steamoji Academy, your owners, directors or officers and teachers, the Location, the Trademarks or the System, or that may adversely affect your operation of the Steamoji Academy or your ability to meet your obligations. You shall also promptly following receipt send a copy of all relevant communications and documents to us. You shall correct any deficiencies within five (5) days or such fewer number of days as required by applicable law or a

governmental authority, but shall immediately correct any deficiency that has created or threatens to create a material health or safety issue. Upon the occurrence of a “Crisis Management Event” (which means any event that occurs at or about or in connection with your Steamoji Academy that has caused or may involve negative publicity in the media, which may cause harm or injury to parents, children, employees or any other person, such as transmission of diseases, reputation damage on social media or otherwise, natural disasters, terrorist acts, shootings, or any other event or circumstance which may injure or impair the System, Trademarks, brand, image or reputation of the Steamoji System, or us), you shall immediately notify us by telephone and email (or other electronic messaging medium authorized by us for this purpose from time to time). You shall cooperate fully with us in our response to the Crisis Management Event. We may require you to, among other things, temporarily close the premises to the public. In such event, we shall not be liable to you for any losses or costs, including consequential damages or lost profits, occasioned by such procedures or closure.

7.6 Your acknowledgement respecting Pandemics and other Emergencies

There are conditions that are not in the control of either you or us in the United States and around the world. These conditions always have the potential to increase the risk associated with operating a Licensed Business such as the one granted under this License Agreement. Current and future events could cause global financial conditions to destabilize, and you, us and government authorities may have limited resources to respond to such future events. Future crises may be precipitated by a number of causes, including cyclical or other financial downturn, natural disasters, pandemics, geopolitical instability or sovereign defaults. Any such destabilization of global or local economic conditions could negatively impact us, you and your Business, including without limitation, any information provided in our Franchise Disclosure Document. In particular, a significant outbreak or the threat of outbreaks of viruses or other infectious diseases or similar health threats, including the novel coronavirus (COVID-19), will very likely adversely affect the economies and financial markets, resulting in an economic downturn that could result in a material adverse effect on supply chain prices, demand for products and services and general financial market liquidity, all of which could have a material adverse effect on your Business as well as our business. While government authorities continue to take measures to mitigate the impacts of COVID-19, we cannot accurately predict what effects this pandemic and any future pandemic will have on operations or financial results of your Licensed Business due to uncertainties relating to the ultimate geographic spread of the virus and any variants of the virus, the severity of the disease, the duration of the outbreak, and the length of the travel restrictions and business closures that have been or may be imposed by government authorities. As a result, there can be no certainty that the outbreak will not result in a loss of sales, operational and supply chain delays and disruptions (including as a result of government regulation and prevention measures), labor shortages and shutdowns, social unrest, increases or declines in the price of goods government or regulatory actions or inactions, capital markets volatility, or other unknown but potentially significant impacts. Accordingly, we have no control over directives from the Health Officials, federal, state or local governments in terms of school closures, seating limitations, or the need for partitions, and you will be required to comply with all directives from Health Officials and governments having jurisdiction.

8. REQUIRED PRODUCTS AND EQUIPMENT FOR A STEAMOJI ACADEMY

8.1 Required Purchase and Use of Equipment

You shall acquire all educational and other equipment, including, hardware, software, laser engraver cutter, 3D printers and other mandated equipment for use in the Steamoji Academy only from us or from suppliers designated or approved by us from time to time.

8.2 Approval of Products

You must notify us in writing if you want to offer for sale through the Steamoji Academy any brand of product, or to use in the operation of the Steamoji Academy any material, item or supply that is not then approved by us, or to purchase any product from a supplier that is not then designated by us as an approved supplier. If requested by us, you must submit samples and other information as we require for testing or to otherwise

determine whether the product, material or supply, or the proposed supplier meets our specifications and quality standards. We generally will notify you of supplier approval or disapproval within 60-90 days of our receipt of all the information and samples we request. You must pay all costs of the inspection and evaluation and the actual cost of the test. The supplier also may be required to sign a supplier agreement. We may re-inspect the facilities and products of any approved supplier or item and revoke our approval of any supplier or item that fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or item. We apply the following general criteria in approving a proposed supplier: (i) ability to make product in conformity with our unique and special specifications; (ii) production and delivery capability; (iii) reputation and integrity of supplier; and (iv) financial condition and insurance coverage of the supplier.

8.3 Software Program(s) and Designated Hardware

You shall also acquire from our designated or approved suppliers the required computer systems for use in all Steamoji Academies, and this may involve licensing or sublicensing (as the case may be) from us or our designated suppliers, and STEAM related Software and certain hardware elements for use by you and your students. You shall execute and deliver to us on request, the form of licensing or sublicensing agreement acceptable to us in respect of the computer hardware and software systems at the cost specified in such license, which you agree to pay pursuant to the terms of such license. In some cases, you will need to subscribe to a SaaS (Software as a Service) provider through us and in such case, this will be paid from Membership Fees and deducted from monies owed to you by us, as described in Schedule "A". You acknowledge and agree that a default under this Agreement is a default under such license and a default under such license is a default under this Agreement, entitling us (or the licensor of such software) to remove or render unusable any such hardware and software so licensed. You agree that the terms of such computer software system licenses may require you to pay for hardware and software, pay a monthly maintenance contract, and to duly and regularly pay for updates to such software.

8.4 Allowances to us

You hereby acknowledge and agree that we (or our Affiliates, as the case may be) shall be entitled to the benefit of any and all volume rebates, contingent profit bonuses, allowances and other similar receipts and advantages that we may negotiate and obtain from any supplier by reason of such supplier supplying products or services to us, you and/or to our other licensees. For purposes of this Agreement, all landlords are deemed to be a supplier. We or our Affiliates, as a System supplier, may earn a profit based upon the sale of goods and services to you and/or to our other licensees.

8.5 System Noncompliance

In the event of any unauthorized deviations in our System we reserve the right to:

- (a) charge you for our administrative and other time and expenses in the following manner:
 - (i) there is an unauthorized deviation in our System - first occurrence in a 12-month period: \$500;
 - (ii) there is another unauthorized deviation in our System - second occurrence in a 12-month period: \$1000;
 - (iii) there is another unauthorized deviation in our System - third occurrence in a 12-month period: \$1500.

Should there be a fourth deviation in our System in a twelve period, we have the right to immediately terminate this Agreement and any other agreement we (or our Affiliates) have with you (including but without limitation, any tenancy agreement for the Premises) without notice.

8.6 Operation at Your Request

If you have difficulty consistently maintaining our Standards or meeting your Minimum Performance Requirements, you may request in writing that we directly operate and manage your Steamoji Academy for your account, for a period of time not to exceed ninety (90) days. If you request us to operate and manage your Academy for your account pursuant to this Section, and we accept such request, we will manage and operate your Steamoji Academy for your account, but we may, at our option deduct an amount sufficient to reimburse us for our reasonable expenses and a reasonable management fee. You acknowledge and agree that we will incur no liability to you or any other party in respect of such operation and management as long as we act honestly and in good faith. Any shortfall of income to expenses incurred by us respecting such management and operation shall be reimbursed by you on demand. You may, at any time during our management and operation under this Section, require such management and operation to cease.

9. ADVERTISING MARKETING AND BRANDING

9.1 Advertising and Marketing Compliance

You recognize the value and importance of advertising, public relations, promotion and marketing in a uniform manner to the furtherance of business growth, stability and the goodwill and public image of your Steamoji Academy and of all present and future Steamoji Academies belonging to our System, and you agree to abide by any advertising provisions of this Agreement and within our Operations Manual. The provisions of this Article 9 deal, in addition to other matters, with your obligation to carry on and pay for local advertising, and contribute to our Brand Fund.

9.2 Launch Marketing

You shall expend an initial amount of not less than that amount referred to in Schedule "A" attached hereto on a pre-opening and launch opening promotion campaign for the Steamoji Academy, to be carried out by you immediately before and after the Steamoji Academy opens in a manner and in media as reasonably directed by us.

9.3 Local Advertising Obligation

You agree to spend on local advertising and promotion of the Steamoji Academy in each month, such amount as we have specified in Schedule "A" attached hereto. You acknowledge that we may establish varying minimum advertising requirements for Steamoji Academies located in different local or regional areas. We also have the right from time to time to determine the amount or percentage of your minimum advertising requirements to be expended for various advertising media. Prior to your use of them, samples of all local advertising and promotional materials not prepared or previously approved by us must be submitted to us for approval, which we will not unreasonably withhold. If you do not receive written disapproval within 15 days from the date of our receipt of such materials, we will be deemed to have given the required approval. You may not use any advertising or promotional materials that we have disapproved.

9.4 Our Advertising Methods and Materials

We may from time to time acquire or develop and provide to you advertising methods and materials, and may suggest methods of conducting your local market advertising and promotion. We may offer some of such materials to you, without obligation, for a reasonable standard charge. Where you develop your own proposed advertising methods and materials, you shall submit the same to us at least two weeks prior to the date on which such advertising material is required by you for our reasonable written approval prior to use. We will not unreasonably or arbitrarily withhold or delay our approval to such advertising material.

9.5 Branding Fund

Recognizing the value of advertising and other marketing for the goodwill and public image of Steamoji Academies and the Steamoji brand, we may instigate a Branding Fund which you must contribute to on a monthly or other regular basis as a condition of this Agreement. Such contributions will be deducted from Membership Fees paid to the payment processor by parents who have enrolled their children in your Academy. As indicated previously, we may arrange, on your behalf acting as your agent, for a payment processor facility such as Stripe to handle all payment processing, and any charges for such processing will be deducted by the payment provider from what is payable to you.

When instigated, this fund will be used for various distinct advertising, marketing, and public relations purposes outlined in [Section 9.6](#) below. The required monthly contributions you must make to the Branding Fund are specified in Schedule "A" attached hereto based on a percentage of the Gross Revenues of your Steamoji Academy for the preceding month, payable at the same time and in the same manner as the Royalty.

9.6 Uses of the Branding Fund

We, or managers appointed by us in our reasonable discretion, will administer the Branding Fund (sometimes referred to as the "Fund") for use exclusively for advertising, marketing and public relations purposes for the collective benefit of all Steamoji Academies in a manner and proportion as we determine. The Fund may, at our option, be expended on national, regional, or local advertising, "image advertising", promotions and public relations programs and social media initiatives. The Fund may also be directed to advertising, marketing, promotions and public relations programs in specific geographic regions, as we may determine. The Fund may be used to establish the Steamoji Trademarks in any additional territories, to engage in test marketing, to conduct surveys of advertising effectiveness and market research, to support an under-performing territory, to create and produce new commercials and other video, audio and written promotional and advertising materials and programs, including, but without limitation, point of sale material, direct mail, social media campaigns or for other purposes deemed to be beneficial for the general recognition of the Trademarks, the Steamoji System and all Steamoji Academies. All marketing programs financed by the Fund will be directed by its managers with discretion over the creative concepts, materials and endorsements used in them and the geographic market and media placement and allocation of the programs. The Fund may be used to pay, among other things, advertising and other agency fees, media time costs, telemarketing programs, direct mail programs, social media campaigns, promotions for sponsorships, developing local outlet marketing program programs including, but without limitation, crisis management to develop and protect the Trademarks. The Fund will furnish you with approved marketing materials at its direct cost of producing them, including shipping and handling. The Fund will not pay for any printing or office stationery such as business cards and letterheads. We reserve the right to place and develop such advertising and promotions and to market same as agent for and on behalf of you, either directly or through an advertising or other agency retained or formed for such purpose. We may, from time to time, consult with licensees to consider other advertising and marketing concepts or programs which the Fund could be utilized for. We shall administer and coordinate the use of the Branding Fund and shall be entitled to charge a reasonable amount to the Fund, not to exceed fifteen percent (15%) of the total contributions to the Fund, to cover our actual administrative and accounting expenses and overhead incurred in connection therewith. In the event that we (or our Affiliates as the case may be) loan money to the Fund to cover advertising expenses, which are in excess of the number of contributions received by us for the Fund to date, we (or they) shall be entitled to be repaid for any such loaned funds out of subsequent contributions made to the Fund. We may account for the Fund separately from our other funds, and may maintain the Fund in a separate bank account segregated from our other funds. We undertake in administering the Fund to use our reasonable efforts to use the Fund for the benefit of all members of our System, however, you acknowledge that we are under no obligation to use the Fund for the benefit of all contributors on an equal or proportionate basis to the amount contributed. On notice to you, we may disband the Branding Fund and require you to direct the amount otherwise payable towards Branding Fund local advertising or to us, as we direct.

9.7 Accounting for the Branding Fund

The Fund will be accounted for separately. A statement of monies collected, and costs incurred by the Funds for each year will be furnished to you upon request. Any surplus or deficit in the Fund will be carried forward to the next year. The Funds may be incorporated or operated through a separate entity and such successor entity shall have all the rights and duties as are accorded pursuant to this Agreement.

9.8 Branding Fund Limitations

The Branding Fund is intended to maximize recognition of all of the Trademarks and patronage of all Steamoji Academies, depending on the particular fund collected by us from you. Although the Fund has a mandate to develop advertising and marketing materials and to place advertising in a manner that will benefit all Steamoji Academies, we do not undertake any specific obligation to ensure that expenditures for the Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Fund by all Steamoji Academies operating in that geographic area, or that any Steamoji Academy will benefit directly or in proportion to the amount of its contributions. We do not assume any direct or indirect liability or an obligation to you for the Funds. Neither we nor any other person or entity will be liable for any act or omission with respect to any of the Fund unless we have acted in bad faith in respect to the administration of the Fund.

9.9 Advertising Allowances

You hereby acknowledge and agree that any advertising allowances, discounts or other concessions paid or granted to us by any supplier for or by reason of the advertising and promotion placed, conducted or administrated by us pursuant to this agreement shall belong exclusively to us.

10. INTELLECTUAL PROPERTY

10.1 Licensed Rights

Under this Agreement, we are granting you the license to operate a Steamoji Academy, to use and display our System and Trademarks, and to use our copyright materials, Operations Manual, curriculum, teaching methodologies, know-how, method of operation, format and goodwill (the "Licensed Rights"), but only in connection with the Steamoji Academy operated by you and only in accordance with the terms and conditions of this Agreement the Operations Manual and any Standards set by us from time to time during the Term of this Agreement. Upon expiration or termination of this Agreement for any reason, you shall surrender and deliver to us all of the Licensed Rights, including physical possession of all objects bearing or containing our Trademarks (or any word or design comprising the Trademarks), and you shall not thereafter use any of the Licensed Rights.

10.2 Use of Trademarks

- (a) You shall operate the Steamoji Academy under the name "Steamoji" or as otherwise directed by us from time to time. Your own corporate name shall be clearly indicated on your advertising materials, business stationery, pay stubs and other forms in a manner specified or reasonably approved by us or as contained in the Operations Manual from time to time, and which clearly indicates that you are the independent owner and operator of that business;
- (b) You shall use the Trademarks only in their exact form and as prescribed in the Operations Manual from time to time, and you shall indicate to the public in the manner directed by us from time to time that the Trademarks are owned by our affiliated company, Steamoji Inc.;
- (c) Subject to section 10.10 herein, you shall not use the word "Steamoji", "STEAM", "Build to Solve", "Oji" or any derivative thereof or any confusingly similar or colorably imitative word as part of the corporate or firm name of any corporation, limited liability company, limited partnership or other entity operating the Steamoji Academy pursuant to this Agreement, or

any business operated by you after the expiration or termination of this Agreement, in or as part of any web page, URL or email address without our prior written consent; and

- (d) You may only use the name Steamoji in association with your Steamoji Academy, and all goodwill accruing to the use of Steamoji name and Trademarks shall accrue to Steamoji Inc and us.;

10.3 Other Trademarks

For the purposes of this Agreement, references to the Trademarks shall include any additional, substitute or modified trademarks hereafter adopted by us and authorized, designated and licensed for use by you in connection with the Steamoji Academy. If at any time during the term of this Agreement we deem it advisable to modify or discontinue use of any Trademark, or to adopt and use any additional or substitute trademarks, then we shall give notice in writing to you to that effect, and you shall be obligated to comply with all such reasonable changes at your own expense and within such time as is reasonably allowed by us in the circumstances.

10.4 Internet

We have established and shall maintain ownership of and control over the internet domain name www.steamoji.com and the internet website connected to it, (as well as other current and future domain names and sites). We reserve the right at any time to prescribe by written notice that you shall be connected to, and shall make use of our internet domain names and internet web sites, including for all of its internet advertising associated with Trademarks and name and the Steamoji Academy, in the manner and form designated or reasonably approved in advance by us from time to time, and you shall pay us any webhosting or related fees required by us in relation to such website, as may be communicated or invoiced to you. You shall not maintain or in any way use any website or social media site to advertise promote or reference your Steamoji Academy or the Steamoji. Trademarks and in that regard, you shall not engage in any use, such as linking or framing, of any other internet website associated with Steamoji name or the Trademarks or the Steamoji Academy in association with any other internet website or in association with any other name or trademark or internet domain name or in association with any other business. We, and not you, will set up social and mapping accounts (e.g. Facebook, Instagram, WeChat, Google MyBusiness, Apple Maps, Bing Maps, etc.) for each territory and provide access to you during the Term and any renewal term of this Agreement.

10.5 Personal Information and Privacy

We shall have the right, and you and, where applicable, each Guarantor hereby consents, to our access to, our use of, and the disclosure of all personal information collected by you and your principals and, where applicable, each Guarantor for any purpose connected with your Steamoji Academy, this Agreement and its enforcement, including providing or listing contact information for you and your principals and management and teaching employees for communications purposes, including with landlords, Facility providers, insurers and other suppliers of goods or services, or prospective licensees; posting on Steamoji websites listing licensees; disclosure in connection with our own disclosure documents and, where applicable, prospectuses, statements of material facts and other securities filings and documents; and making reports or information received from you pertaining to the Steamoji Academy, or portions thereof or extracts therefrom, available for inspection by prospective licensees, to substantiate information contained in our disclosure documents for prospective licensees regarding the subject matter of such reports or information, as the same pertain to the Steamoji Academy or the System in general, or to contact our clients respecting renewals or provide them with other information in respect of the services offered by us and our licensees. We may also share such personal information where needed with our professional advisors, lenders or Affiliates, regulators, or under agreements with third parties relating to the Steamoji Academy or the System. We may give access to or transfer files containing such personal information to a prospective purchaser or purchaser of the System. You shall be responsible to obtain any required consents from your principals and management employees, Guarantor and, where applicable, each parent or guardian of students as may be necessary for you to comply with these provisions. Such personal information will be

retained and reasonably safeguarded by us for such period of time as is reasonably required for legal or business purposes, after which it will be destroyed. Such personal information will not be used for any other purposes or disclosed to any other third parties by us without obtaining such further consents from you or others as are required under applicable law. You and each Guarantor, hereby consent to us using and disclosing all personal information collected or received, as set forth above. For greater certainty you, and where applicable, each Guarantor, hereby expressly permits us to disclose in any disclosure document provided by us to any prospective licensee (whether required by law to be provided to a prospective licensee or made available on a voluntary basis) personal information relating to principals, directors, officers and shareholders, as applicable, of Licensee, and where applicable, each Guarantor, including their names, addresses, telephone numbers and fax numbers email addresses, as well as sales, revenues, expenses, costs, results of operations, and similar information regarding the licensed Steamoji Business, and any information regarding the non-renewal, closure, expiry or termination of this Agreement or the Licensed Business. You permit us to disclose performance information related to the Licensed Business, including sales, revenues, levels of enrollment, results of operations and similar information, to other licensees of the System, including through the publication of financial performance ranking on an Academy by Academy basis.

10.6 Operations Manual

We shall furnish you on loan with our current Operations Manual and all other related manuals then in current use upon the execution of this Agreement or as soon thereafter as is reasonably practicable. Such manual will be either in print form, by way of DVD or delivered on-line via a secure Intranet. All such Manuals may be revised by us from time to time. You agree to maintain all such Manuals, as revised, at the Premises from which you operate the Steamoji Academy, and to only give access thereto to your employees directly involved in operating the Steamoji Academy. You shall surrender and deliver possession of all such Manuals to us upon expiration or termination of this Agreement. The Manuals as revised from time to time and any other manual developed by us as part of the System is hereby incorporated into this Agreement by reference. In the event of a discrepancy, the manuals as maintained by us with all current revisions shall be the governing copies.

10.7 Confidential Information

You acknowledge that the materials, information, specifications, the Standards forming part of Steamoji System, including our Operations Manual; the specifications and standards for products, inventory, supplies, equipment; our curriculum and teaching methodologies; the identity of designated or approved suppliers; the identity, contact information and files relating to all parents and guardians of students enrolled at the Steamoji Academy which is the subject of this Agreement, and all internal communications with you and other licensees are protected by copyright, are proprietary to us and confidential and constitute trade secrets which are disclosed to you on conditions of trust, and you shall not use, copy or transmit for any purpose inconsistent with this Agreement or publish or reveal to any unauthorized party or competitor during the term of this Agreement or thereafter. We reserve the right at any time upon written notice to you to more particularly specify or define any elements or items of information or materials which we consider to be confidential trade secrets for the purposes of the ongoing application and survival of your covenants herein. The covenants of this paragraph shall also extend to cover and bind each of your directors, officers and principals who have in any capacity affixed his or her signature to this Agreement. You also acknowledge and agree that we may also be under covenants of confidentiality with our Affiliates and suppliers, which may prevent us from disclosing certain of their confidential information to you.

Please initial

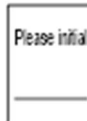
10.8 Know How

You acknowledge that we possess know-how comprised of methods, products, specifications, materials, procedures, teaching methodologies, information, systems and knowledge of and experience in the provision of the services to be used by you at the Steamoji Academy (collectively, the "Know-How"). We will disclose the Know-How to you in our training program, the Operations Manual and in guidance furnished to you during the Term and any renewal term of this Agreement. You will not acquire any proprietary interest in the Know-How or any part of it, other than the right to use it in the development and operation of the

Steamoji Academy during the Term and any renewal term of this Agreement, in full compliance with this Agreement. You acknowledge that the Know-How is proprietary and, except to the extent that it is or becomes generally known in the educational industry, the Know-How and every part of it comprises a valuable trade secret, owned by us.

10.9 Parent List

We may from time to time in our discretion, use the database of parents and guardians whose children have acquired educational training from your Steamoji Academy as we reasonably determine for the purpose of contacting such persons for satisfaction monitoring and similar purposes; or for other purposes that promote and enhance the Steamoji brand or which are for the commercial benefit of us or the System. You acknowledge and agree that we own such information unless a particular person is specifically excluded pursuant to Schedule "A" attached hereto. Notwithstanding our ownership of such information, you hereby consent to our use of such parent and guardian list and database for such purposes and you agree to obtain consents where necessary.



11. TRANSFER AND ASSIGNMENT

11.1 Assignment by Us

We reserve the right to assign this Agreement in good faith to any party who, in our reasonable judgment is financially and operationally capable of assuming our role and performing the covenants and obligations to you hereunder, and who agrees in writing to assume and be bound by and perform all of the terms, provisions, covenants, conditions and obligations of this Agreement for the balance of the Term and any renewal term. We shall give reasonable written notice of any such assignment to you, whereupon we shall have no further obligation or liability to you under or in connection with this Agreement whatsoever.

11.2 Assignment by You

You acknowledge that this Agreement is a personal one, being entered into by us in reliance upon and in consideration of your personal skills and qualifications and the owner-operator(s) specified in Schedule "A", and the representations of same which have inspired our trust and confidence in you and the Guarantor who will actively and substantially participate in the ownership and operation of the Steamoji Academy. Accordingly, this license is not transferable or assignable in any manner, directly or indirectly, in whole or in part by you without our prior written consent. We will not refuse to consent to a proposed assignment unreasonably, namely unless, in our reasonable business judgement, you or the proposed assignee fail to meet our conditions of assignment as set out in Section 11.3 herein, and particularly, if we believe the proposed assignee is in any way, a competitor of ours, or a person who may take an unfair advantage by being given access to our System through the assignment of this Agreement or the terms of the proposed assignment are unreasonable.

11.3 Conditions of Assignment

Our consent to any assignment shall not constitute a waiver of any claim against you or the Guarantor. Our consent to any assignment shall be conditional upon the following:

- (a) The assignee, including its directors, officers, managers, partners, members, shareholders, and their respective spouses, shall meet our then current criteria for the selection and approval of new licensees;
- (b) The assignee, its owner-operator(s), the management personnel and the Facilitators proposed to be employed by the assignee for the Steamoji Academy shall satisfactorily complete our initial training and Facilitator program as set out herein (at your or their cost, but not ours);

- (c) The assignee shall assume and agree in writing to be bound by and perform all of your covenants and obligations hereunder, or if required by us, shall execute and deliver to us a new form of Agreement for the remaining portion of the Term of this Agreement. Such new Agreement may be in our then current standard form, which may include terms and conditions, which differ substantially from those contained in this Agreement;
- (d) All your obligations under this Agreement and under any other agreement between the parties and their respective Affiliates shall be brought up to date and into full compliance;
- (e) You and the Guarantor shall deliver to us a complete release of all claims against us, and our respective officers, directors, and affiliated corporations in respect of all matters arising under or pursuant to this Agreement;
- (f) You shall deliver to the assignee, the Operations Manual, and all other materials of a confidential or proprietary nature relating to Steamoji System or bearing the Trademarks;
- (g) The assignee shall not use in its corporate or firm name the word Steamoji or any derivative thereof, or any word confusingly similar thereto or colorably imitative thereof in the English or other language;
- (h) We reserve the right to require that you or the assignee carry out such reasonable changes and improvements to the Premises and equipment used in the Steamoji Academy as we shall specify in order to upgrade the Steamoji Academy to our then current image, standards and specifications.
- (i) You acknowledge that we will incur expenses in connection with any assignment or proposed assignment, and thus you shall reimburse us for our reasonable actual expenses incurred in connection with the assignment or proposed assignment and shall pay to us an Assignment Fee in the amount specified in Schedule "A" attached hereto, the payment of which shall be a condition of us granting consent to the assignment.; and
- (j) you have paid us an amount representing our reasonable legal and administrative fees for approving and processing the assignment;

11.4 Right of First Refusal

- (a) Prior to granting consent to any proposed assignment, we shall have a right of first refusal to purchase the Steamoji Academy from you. You shall notify us of your desire to sell, assign or transfer the Steamoji Academy by written notice setting forth the proposed terms and conditions for such sale, assignment, or transfer. We shall then notify you in writing within fourteen (14) days after receipt of such notice as to whether or not we wish to exercise our right of first refusal on such terms and conditions;
- (b) If we determine not to exercise our right of first refusal at that time, then we may assist you to find a suitable buyer from among those prospective licensees with whom we have been in contact. If within the said fourteen (14) day period we have not been able to assist you, then you may commence your efforts to sell the Steamoji Academy; provided, however, that you shall submit all proposed advertisements for the sale of the Steamoji Academy to us for our reasonable prior written approval as to form; and
- (c) Once you receive a bona fide offer to purchase from a third party, you shall deliver written notice to us setting forth all of the terms and conditions of the proposed sale and all available information concerning the proposed assignee, as well as a statutory declaration from the principal of the licensee attaching a true and complete copy of the offer. We shall have the right to communicate directly with the offeror. Within fourteen (14) days after our

receipt of such notice and information, we shall notify you in writing as to whether or not we will exercise our right of first refusal on the same terms and conditions, or if not, whether or not we consent or do not consent to the proposed sale and assignment of this Agreement to the proposed assignee, together with any reasonable conditions, consent, or the reasons for our non consent.

11.5 Transfer of Shares of Corporate Licensee

If you are a corporation, limited liability company, partnership or other entity, a transfer, purchase back or issuance of shares, or membership, partnership or other interests, or any other transaction or series of transactions involving the same which would affect, in any manner, directly or indirectly, the ownership of the Steamoji Academy or the Licensee herein, shall constitute an assignment for the purposes of this Agreement and shall require our consent to assign and the payment of the Assignment Fee pursuant to this Agreement. Your directors, officers, managers, and shareholders, members or partners and their voting and equity interests as at the effective date of this Agreement are as stated in Schedule "A" to this Agreement.

11.6 Death or Incapacity

- (a) Upon the death or permanent disability of an individual licensee, or the controlling shareholder, member or partner or partners of a corporate licensee as the case may be, if the surviving spouse and/or adult child desire and are, in our reasonable opinion, capable of carrying on the Licensed Business, such spouse and/or adult child shall have the right to continue to operate the licensed Steamoji Business provided that such transfer of interest occurs within ninety (90) days after the death or permanent disability of the person in question and such spouse or adult child directly covenants and agrees with us to be bound by the terms and conditions of this Steamoji License Agreement and any other agreements made between us.
- (b) If a surviving spouse and/or an adult child do not desire or are not in our reasonable opinion capable of carrying on the licensed Steamoji Business or if the deceased or permanently disabled person in question does not have a spouse or adult child surviving, then we shall have the option, such option to be exercised by us giving written notice to the Licensee or the Licensee's estate within ten (10) business days of the date of the Licensee's death or permanent disability is established, to purchase all assets of the License Business in respect hereof for a purchase price equal to the fair market value as agreed upon between the licensor and estate or personal representative of the Licensee, or as determined by an agreed upon certified business valuator engaged at the Licensee's expense.
- (c) For the purposes of this Section, the Licensee or any controlling shareholder, member or partner, as the case may be, shall be deemed to have a "permanent disability" if a qualified medical practitioner qualified to practice in determining "permanent disability" certifies such Licensee's or controlling person's usual participation in the management and operation of the Steamoji Academy is for any reason curtailed for a cumulative period of ninety (90) days in any twelve (12) month period during the Initial Term or, if applicable, the Renewal Term of this Agreement.

12. DEFAULT AND TERMINATION

12.1 Termination after Notice of Default

We may at our option, terminate this Agreement, if you have committed any of the defaults specified below, and have not cured any such default to our satisfaction in the time required for curing, as follows:

- (a) If you fail to comply with our specifications, or our Standards as called for in this Agreement or in the Operations Manual and such default shall not be wholly rectified within a period of seven (7) days after written notice specifying such default, shall be given by us to you;
- (b) If you fail to pay any amount due and owing to us, our Affiliates, an approved supplier, your Landlord or others for a period of seven (7) days after written notice, specifying such default and the time period for curing such default, shall be given by us to you;
- (c) You fail to comply with any other obligation under this Agreement for a period of fourteen (14) days after written notice, specifying such default and the time period for curing such default, shall be given by us to you;
- (d) If you fail to meet your Minimum Performance Requirements in any year of this Agreement and have not cured such default to our satisfaction in a manner and on a schedule determined by us.

12.2 Termination without Prior Notice of Default

The following events shall be deemed material breaches of this Agreement and shall be grounds for termination of this Agreement by us without prior notice of default. Such material breaches shall, by their nature, be deemed non curable. Any notice of termination given by us to you upon or after the happening of any of such events shall be in writing and shall set forth our reasons for such termination and the effective date thereof. The events of non–curable material breach of this Agreement are as follows:

- (a) If you abandon the Steamoji Academy by failing to keep the Steamoji Academy operating under the name Steamoji for five (5) consecutive business days or more, or for an aggregate of five (5) business days or more in any thirty (30) day period, without our prior written consent, which consent shall not be unreasonably withheld where the closure results from a cause beyond your reasonable control;
- (b) If you become bankrupt, or are placed in receivership for a period exceeding ten (10) days, or are dissolved, liquidated or wound up, or if you make a general assignment for the benefit of your creditors, or a composition, arrangement or proposal involving your creditors, or otherwise, acknowledges your insolvency;
- (c) If you, or any partner, director or officer are charged or convicted of any indictable criminal offence, or any crime involving moral turpitude, or shall be found liable for or guilty of fraud, fraudulent conversion, embezzlement, or any comparable action in any civil or criminal action or proceeding pertaining or relevant in our opinion to the Steamoji Academy;
- (d) If you or any of your directors, officers, shareholders, guarantors or employees, as the case may be, engages in any misconduct which unfavorably affects our reputation or the reputation of any other licensee, or the goodwill associated with the Trademarks or the System; including, but not limited to, abuse of parents, abuse of students, abuse of employees, or engaging employees or contractors who do not meet our then-current standards and training requirements, health or safety hazards, drug or alcohol problems by the Licensee or any of its directors, officers, shareholders, guarantors or employees, or permitting unlawful activities at the Premises;
- (e) the lease or sublease for the Premises is terminated and alternative premises are not secured within seven days;
- (f) If you are convicted of misleading advertising or any other sales related statutory offence pertaining to the Steamoji Academy, or enjoined from or ordered to cease operating the Steamoji Academy by reason of dishonest, illegal, unsafe, unsanitary or unethical conduct;

- (g) if you fail to advise us of a legal proceeding or Crisis Management Event as specified in section 7.4 or fail to take steps as directed by us in the event of a legal proceeding or Crisis Management Event;
- (h) If you have any business license or any other license, permit or registration pertaining to the Steamoji Academy or the Premises suspended for just cause or cancelled and not reinstated or re issued within ten (10) business days;
- (i) If you attempt to pledge, encumber, charge, hypothecate or otherwise give any third party a security interest in, or assign this Agreement without our prior written consent, or if an assignment of this Agreement shall occur by operation of law or judicial process without such consent;
- (j) If you attempt to assign, transfer or convey the Trademarks, trade name, copyrights, domain names, confidential information, know-how or trade secrets, or if you publish, disclose or use any of the same in a manner or at or from a location not authorized by us;
- (k) If you fail on three (3) or more separate occasions after we have previously notified you of each such default, to provide us when due, any required reports of the operation of your Steamoji Academy, or you fail to make payment of any monies due to us or our Affiliates or others;
- (l) If you have defaulted in complying with this Agreement or our Standards on three (3) or more separate occasions after we have previously notified you of each such default;
- (m) If there has been a fourth occurrence in a twelve month period of a check or other payment to us, our Affiliates or our suppliers being rejected for insufficient funds;
- (n) If we determine that you have disclosed any of our confidential trade secrets to a party not authorized by us, or have otherwise breached your obligations respecting our confidential trade secrets;
- (o) If you intentionally falsify, misrepresent or misstate to us any financial statements, reports or information required pursuant to this Agreement; in particular, if you materially distort information pertaining to your Steamoji Academy;
- (p) if you fail to record any Gross Revenues, other information we require you to record, or fail to maintain your financial and other records in a manner prescribed by us;
- (q) if you fail to submit to us financial and other information that is required to be provided to us when required;
- (r) if you fail to pay any applicable Sales Tax or any other tax required to be paid by you;
- (s) If you fail to develop the Premises in the time agreed by the parties for such development;
- (t) If you have materially breached this Agreement by purchasing from unauthorized suppliers without our prior written consent;
- (u) if you have failed to obtain criminal records checks or updated criminal records checks for individuals involved in your Steamoji license business, and in particular, directors, officers Facilitators and all those having contact with students; or

- (v) If you unilaterally repudiate this Agreement or the performance or observance of any of the terms and conditions of this Agreement by word or conduct evidencing your intention to no longer comply with or be bound by the same.

12.3 Cross Default

Where there is more than one agreement or other instrument in existence between you and us, one of your Affiliates or principals and us, or you, your Affiliates or Principals and any of our Affiliates, you agree that we have the right to treat a material breach or default of any one agreement as a material breach or default of all or any of the other agreements, and any such material breach or default of any one agreement shall be treated, in respect of any of the other agreements, as a material breach or default of each such agreement or instrument in accordance with its own terms.

Please initial

12.4 Injunctive Relief

In circumstances where we believe the damages will not be an adequate remedy for your breach, we may bring action for injunctive relief in order to compel you to comply with your obligations under this Agreement so as to preserve and protect the Trademarks and other proprietary rights under this Agreement and to maintain the uniformity and integrity of our System as called for under this Agreement. When bringing an action for injunctive relief, we will not have to prove the inadequacy of money damages as a remedy, will not have to post a bond and do not waive any other rights or remedies we may have in law or in equity.

12.5 Telephone Numbers and Listings

Upon expiry or termination of this Agreement for whatever reason, we shall have the right to require that you forthwith upon written notice to cease use of all of the existing telephone numbers (including fax and mobile telephone numbers) for the Steamoji Academy. We shall have the further right to arrange for call forwarding and to take over and have assigned to us or our designee the existing telephone numbers and directory listings for the Steamoji Academy, and we may utilize the Power of Attorney provisions in this Agreement to effect the same. We shall also be entitled to require at any time during the term of this Agreement that you execute and deliver to us the appropriate telephone company form of assignment of such telephone numbers and directory listings to us, which we shall be entitled to treat as irrevocable, and to hold and to use to affect such assignment with the telephone company upon expiry or termination of this Agreement. You agree to pay us in the amount of \$500.00 per day for failure to assign and transfer any right you have in such telephone or fax numbers to us, which you and we agree is a genuine estimate of our liquidated damages by your refusal to assign such numbers to us.

12.6 No Removal of Assets / Security Interest

During the term and currency of this Agreement, and both before and after any notice of default, except with our prior written consent, you shall not remove all or any substantial part of your business assets or equipment from the Premises. You hereby acknowledge and agree that such business assets shall be retained at the Premises and shall be and remain charged hereby with a continuing collateral security interest in our favor for all monies due and accruing due and owing by you to us under or pursuant to this Agreement from time to time.

12.7 No Encumbrance of License

You shall not have the right to pledge, encumber, charge, hypothecate or otherwise give any third party a security interest in this Agreement without our prior written consent, such consent not to be reasonably withheld. We will be entitled to withhold our consent in circumstances where such pledge, encumbrance, charge or hypothecation is, in our reasonable opinion, being done for purposes other than for conventional loans or bank financings, equipment leasing or equipment or inventory purchasing.

12.8 Effect of Seizure or Insolvency

In the event of the termination of this Agreement for any reason, no assignee for the benefit of creditors, receiver, receiver manager, trustee in bankruptcy, liquidator, sheriff, bailiff or other officer of the Court or official charged with taking over custody of your assets, inventory or business shall have any right to assume and continue to perform under this Agreement.

12.9 Your Obligations of Discontinuance upon Termination

Upon expiration or termination of this Agreement for whatever reason, you shall forthwith discontinue use of the Trademarks, trade name, copyrights, Operations Manual, confidential information and trade secrets, and shall not thereafter operate or do business under any name or in any manner that might tend to give the general public the impression that you are, either directly or indirectly, associated, affiliated, licensed by or related to us or our System and shall not, either directly or indirectly, use any Trademarks, name, logo, slogan, copyright, trade secret, confidential information, advertising, design, graphic, script, trade dress, color combination, distinguishing feature or other element which is confusingly similar to or colorably imitative of those used by our System. Notwithstanding your obligations under section 12.5 above, you agree to pay us the additional amount of \$1000.00 per day for failure to comply with the provisions of this section 12.9 which you and we agree is a genuine estimate of our liquidated damages. You acknowledge the proprietary rights as set out in this Agreement and agree to forthwith return to us all copies in your possession of the Operations Manual, and all other confidential and proprietary information and materials relating to our System or bearing the Trademarks. The covenants of this paragraph shall also extend to cover and bind each of your directors, officers, managers and principals who have in any capacity affixed his or her signature to this Agreement.

12.10 Right of Entry

Subject to applicable law, we may, and without waiving any claims for default or breach of this Agreement by you, and without prior notice to you or resort to the courts or an arbitrator, enter upon and (where applicable) take possession of the Premises using such reasonable force as is necessary in the circumstances, without being guilty of trespass or liable in any way to you for such entry, but only for the purposes of:

- (a) exercising any applicable rights of distress or other property rights which we may be entitled;
- (b) securing the return of our property, including our confidential intellectual property; or
- (c) ensuring the performance of your obligations of discontinuance and the protection of our rights upon expiry or termination, all as set out herein.

12.11 Indemnification

Except as expressly provided elsewhere in this Agreement, you and the Guarantor agree to save us and our respective directors and officers harmless and to indemnify us and them against all claims, demands, actions, causes of action, suits, proceedings, judgments, settlements, debts, losses, damages, costs, charges, fines, penalties, assessments, taxes, liens, liabilities and expenses, including reasonable legal fees and disbursements and costs of any action, suit or proceeding, of whatever kind or character arising out of or incurred as a result of or in connection with any breach, default, violation, repudiation or non performance of this Agreement by you, or any act or error of omission or commission on the part of you or anyone for whom you are responsible in law, or on account of any actual or alleged loss, injury or damage to any person, firm or corporation or to any property in any way arising out of, resulting from or connected with your business conducted pursuant to this Agreement.

12.12 Non-Competition

- (a) You, the Guarantor and your principal operators (as indicated on Schedule "A") shall not, during the Term and currency of this Agreement (or any renewal), directly or indirectly, in any capacity whatsoever:
 - (i) compete with the Steamoji Academy which is the subject matter of this Agreement by way of owning or operating, whether directly or indirectly, any commercial business enterprise which provides a curriculum of instruction to elementary, middle or high school students in science, technology, engineering, arts or math subjects or the essential elements of our System as described in the Recitals and other provisions of this Agreement;
 - (ii) conduct any commercial business for profit which utilizes some or all of the essential distinctive elements of our System, such as our curriculum (or elements of it) and our teaching and learning methodologies, or which commercial business has a substantially or confusingly similar or colorably imitative trademark, trade name or business format to those of our System;
- (b) The covenants of section 12.12(a) shall continue to apply to you, the Guarantor and the persons specified in Schedule "A" hereof and shall survive any assignment or transfer of this Agreement, or the expiration or termination of this Agreement, for a period of twenty-four (24) months, and during such time shall be applicable at the Premises and within a radius of ten (10) miles around the Premises and any other Steamoji location;
- (c) The covenants of this paragraph shall also extend to cover and bind each director, manager, officer and principal of the Licensee who has in any capacity affixed his or her signature to this Agreement;
- (d) The covenants of this paragraph shall not operate to prevent you or such other persons from being involved in primary, secondary or postsecondary education within public schools, independent schools, universities or colleges during or following expiration or termination of this Agreement, but shall operate so as to have the effect of preventing you and such other persons from being involved in a commercial business for profit, which in any way, directly or indirectly, which utilizes the essential distinctive elements belonging to our System as detailed in this Agreement and more specifically referred to in the recitals to this Agreement;
- (e) We reserve the right at any time upon written notice to you to that effect to unilaterally curtail, reduce, or limit any provision of this Section 12 and the parties agree to be bound by and perform the same as so modified from time to time.
- (f) We have attempted in sections 12.12(a) and (b) above to limit the right to compete only to the extent necessary to protect us from unfair competition. If the scope or enforceability of sections 12.12(a) and (b) are disputed at any time, an arbitrator or court, as the case may be, may modify either or both of such provisions to the extent that it deems necessary to make such provisions enforceable under applicable law.
- (g) If you or the other persons subject to Section 12.12(b) should violate the provisions of section 12.12(b), the period for which the prohibition will be applicable will be extended until 2 years following the date the party violating the provisions ceases all activities that are in violation of the provision.

12.13 Monetary Damages for Breach

Notwithstanding any other provision of this Article 12, and in addition to Sections 12.5 and 12.9, and at our option as a separate and distinct covenant, if we believe that damages are a satisfactory remedy for a

breach of your obligations under this Article 12, you agree to pay us, for a period of 24 months, 10% of the Gross Revenues generated or otherwise earned by you (or the Guarantor) in any other commercial educational business that is in any way owned or operated by you (or the Guarantor) in violation of the provisions of Article 12, together with the sum of \$85,000.00, which amounts constitute our genuine and reasonable pre-estimate of the damages we will suffer from such a breach. This payment obligation shall not revive, modify or expand this Agreement, but we shall have the same rights of inspection and audit of such other business as we have with you under this Agreement.

12.14 No Solicitation of Customers, Employees, Suppliers

During the Term hereof or for a period of 24 months after the termination or expiration of this Agreement or any renewal, you shall not attempt to obtain any unfair advantage by soliciting or attempting to induce any parent, instructor, employee, supplier or licensee to divert his or her business, employment or contract to you or any other competitive business, by the use of customer, supplier or licensee lists or employee information derived from your knowledge of and association and experience with the Steamoji Academy, and you acknowledge that all parent, student and supplier lists constitute our confidential information and are trade secrets belonging to us and disclosed to you on conditions of trust.

12.15 Other Remedies for Material Default

In the event of a default by you as set out in this Article 12, and in addition or as an alternative to the remedies as provided, we may:

- (a) if we believe that damages are not an inadequate remedy, then to bring such action for injunctive or other similar relief as may be necessary to compel you to comply with our obligations contained or referred to in this Agreement;
- (b) without waiving any claim for default hereunder and without prior notice to you, take whatever steps we deem necessary to cure any default by you hereunder for your account and on your behalf, and you hereby irrevocably appoint us as your attorney in-fact to do so, and the related expenses incurred by us shall be due and payable forthwith by you upon demand and shall be deemed to be an amount owing to us hereunder;
- (c) without waiving any claim for default hereunder and without prior notice to you, enter upon the Premises or any premises upon which the Steamoji Academy is conducted without being liable to you in any way for such entry, for the purposes of securing the return of any of our property, performing or compelling performance of your obligations and protecting our rights upon expiration or termination of this Agreement;
- (d) without liability to you and without prior notice, communicate the default and/or termination of this contract to any applicable landlord, supplier your employees and parents; and
- (e) you shall pay to us all damages, costs, and expenses, including all reasonable legal fees and disbursements, incurred by us in enforcing this Agreement, or recovery of damages caused by any action of yours in violation of this Article 12.

12.16 Liquidated Damages

In the event of a termination of this Agreement by us based on a default as set out in this Article 12 or otherwise, and in addition to the other remedies prescribed under this Article 12, we shall have the right to claim and recover, and you shall pay, as fair and reasonable liquidated damages (but not as a penalty) an amount equal to the greater of the percentage Royalty specified in Schedule "A" multiplied by (a) or the percentage Royalty specified in Schedule "A" multiplied by (b).

- (a) the minimum Gross Revenues contemplated under Section 7.2 of this Agreement for the period that is the lesser of:
 - (i) the remaining unexpired term of this Agreement (where for any partial 12-month period the amount shall be reduced pro rata to reflect the number of actual days in such partial 12-month period), or
 - (ii) 36 months (where the minimum Gross Revenues calculated under this Section 12.16(a) shall be from the date of the event of termination).
- (b) the average monthly Gross Revenues during the last six (6) months that the Licensed Business was operated, or if the Licensed Business has been operated for less than six (6) months, then the average monthly Gross Sales over the actual operating period, multiplied by the lesser of:
 - (i) the number of months in the remaining unexpired term of this Agreement (where for any partial month the amount under this Section 12.16(b) shall be reduced pro rata to reflect the number of actual days in such partial month), or
 - (ii) 36 months.

You agree that it would be difficult to calculate with certainty the actual amount of damages that we will incur and that this amount is the best estimate of our lost revenues. If an arbitrator or court determines that the liquidated damages payment is unenforceable, then we may pursue all other available remedies, including recovery of consequential damages. Payment of liquidated damages will not in any way limit any other remedy we may have at law or in equity resulting from your failure to perform your obligations.

12.17 Our Right to Repurchase

- (a) We shall have the option to purchase from you all or any portion of the trade fixtures, leasehold improvements, furniture, fixtures, and other assets located on the Premises or otherwise held or controlled by you in connection with the Steamoji Academy; such option to be exercised by notice delivered to you within thirty (30) days from the date of the termination or expiration of this Agreement.
- (b) The purchase price payable to you shall be the then current fair market value (but not allowing any amount for goodwill), as determined between us. If the parties cannot reasonably agree upon the then current fair market value, fair market value shall be determined by an independent business valuator or appraiser selected by us, acting reasonably, and the costs of such appraisal/valuation shall be borne equally by the parties.
- (c) If we exercise our option to purchase, the transaction of purchase and sale shall be closed within ten (10) days of the date of exercise of such option and shall be completed in accordance with all applicable bulk sales legislation. We shall in each instance be entitled to deduct from any monies payable to you pursuant to the aforesaid options any and all sums of money due and owing by you to us (or our Affiliates) and then remaining unpaid, and whether under this Agreement or any other instrument or agreement then in existence between the parties. We shall be entitled to assign any or all of our said options to purchase to a successor licensee or to any other party.
- (d) All transfer documents shall include all customary representations and warranties from you as to ownership, condition of and title to the assets of the Steamoji Academy being transferred, and if you do not, we may execute such documentation pursuant to the Power of Attorney granted under this Agreement.

12.18 Resolution of Disputes

- (a) Prior to initiating arbitration or mediation to resolve any dispute between us, each of us agrees that it will notify the other in writing of any dispute, claim or controversy arising out of or relating to this Agreement, the relationship, or the Licensed Business, that the notifying party wishes to resolve. Such notice shall include a statement of the dispute, describing to the fullest extent possible the notifying party's version of the facts surrounding the dispute or claim together with an explanation of its position and all elements of any claim (the "Statement of Dispute"). Each of us shall then use its best efforts to communicate with the other to try to resolve the dispute.
- (b) If we are unable to resolve their dispute within thirty (30) days after delivery of the Statement of Dispute, prior to initiating any arbitration or legal action to resolve the dispute, each of us agrees to participate in non-binding mediation before a mutually agreeable mediator. Such mediation shall be held at our offices in Seattle, Washington, or such other site designated by us, within a reasonable time after expiration of the thirty (30) day period following delivery of a Statement of Dispute. At least one principal from each of us, with authority to settle the dispute, shall attend the mediation meeting. We shall share equally the cost of the mediator. Except as otherwise required by this Agreement, the mediation shall be conducted consistent with the requirements of Washington State's Uniform Mediation Act, RCW 7.07 et seq.
- (c) Any controversy, dispute, question or claim arising out of or in connection with or relating to our relationship, the Licensed Business, or this Agreement and its execution, delivery, existence, interpretation, construction, legality, validity, binding effect, enforceability, discharge, performance or non-performance including, but without limitation, any claim that this Agreement, or any portion hereof, is indefinite, invalid, illegal, or otherwise void, voidable or unenforceable, shall, except as may otherwise be provided herein, that are not resolved following the required negotiation and mediation in Sections 12.18(a) and (b), will be determined by binding arbitration in Seattle, Washington. Each of us agrees that all issues of arbitrability, including the scope, validity, and enforceability of the arbitration clause, are delegated to the arbitrator and the arbitrator shall have full and complete authority to decide any such issues. The Federal Arbitration Act, not state law, governs the arbitration proceedings, as well as the scope, validity, and enforceability of the arbitration clause. Except as provided by this Agreement, the arbitration shall be conducted and administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. If JAMS is no longer in business at the time an arbitration demand is made, the parties agree to conduct their arbitration pursuant to the Commercial Rules of the American Arbitration Association. Each of us will keep confidential all matters relating to or arising out of the arbitration and the arbitration award, except as necessary to comply with applicable law. Each of us consents to the jurisdiction of the arbitrator to resolve all disputes arising out of or related to this Agreement. Each of us agrees that the arbitrator's award is conclusive, final, and binding, and that there will be no appeals of any awards even if allowed by the Comprehensive Arbitration Rules and Procedures. Judgment upon the arbitral award may be entered or enforced in the same manner as a judgment or order to the same effect in any Court having jurisdiction thereof.
- (d) Notwithstanding anything in this agreement to the contrary, we may seek a preliminary or final remedy, including, but without limitation, injunctive relief, an order for payment of any monies due and owing by Licensee, an order for recovery or delivery up of possession, or for specific performance, or similar relief, from any court of competent jurisdiction, as may be necessary in our sole judgment to protect our trade marks or other property rights, or to enforce the restrictive covenants herein, or to enforce our contractual rights hereunder in the event of any breach hereof, or in order to protect against actual or threatened conduct that on balance would cause or be likely to cause loss or damage if allowed to continue pending completion of a mediation or arbitration proceeding.

- (e) Each of us agrees that any litigation initiated to seek relief as provided under Section 12.18(d), or any action commenced following a determination by the arbitrator that the requirement to arbitrate is unenforceable, shall be brought in a court of competent jurisdiction situated in Seattle, King County, Washington. All other matters must be arbitrated pursuant to Section 12.18(c). The arbitration provisions of this Agreement apply to claims by and against us and you and our respective Representatives. The arbitration provisions shall survive the termination, expiration, or Transfer of this Agreement. To the extent litigation is necessary under this Section, each of us consent to the jurisdiction of the courts situated in Seattle, King County, Washington. **THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY, EXCEPT WHERE WAIVER IS PROHIBITED BY APPLICABLE FEDERAL OR STATE LAW.**
- (f) You and your Representatives will arbitrate or litigate each dispute with us or our Representatives on an individual basis. You and your Representatives will not consolidate a dispute in any arbitration or litigation with a claim by any other licensee, franchisee, or other individual, or entity. Each of you and your Representatives knowingly and voluntarily agrees to waive its right to participate in any class action or mass action proceedings.

13. GUARANTEE

13.1 Guarantee by Guarantor(s) of Licensee's Obligations

In consideration of us granting this license to the licensee under this Agreement, the Guarantor hereby covenants and agrees to be personally bound by all of the terms and conditions of this Agreement as if the Guarantor were the "licensee" herein, and agrees that the Guarantor will, at all times, continually indemnify and hold us harmless against any loss, damage, expense, liability and cost which we may sustain or incur by reason of any default by the Licensee in the performance of its obligations or covenants contained in this Agreement, including, but without limitation, the payment of all moneys payable to us.

We may, without the consent of the Guarantor, extend the time for payment of any monies payable hereunder or vary the terms of this Agreement as we, in our absolute discretion, deem necessary or advisable, but nevertheless, this covenant shall remain in full force and effect as a continuing guarantee and shall survive termination of the Licensee and this License Agreement.

The liability of the Guarantor to us shall not be deemed to have been waived, released, discharged, impaired or affected by reason of the release or discharge of the Licensee in any receivership, bankruptcy, winding-up or other creditor's proceeding, and shall continue with respect to the periods prior thereto and thereafter, for and with respect to the term of the license.

As the Guarantor is liable as a principal obligant under this Agreement, and not just as a surety, we shall not be bound to exhaust our recourse against the Licensee or other persons before being entitled to initiate action against or receive payment from the Guarantor in respect of the Licensee's obligations under this Agreement.

The liability of the Guarantor hereunder shall be joint and several with the Licensee in respect of this Agreement and the guarantee of the Guarantor shall be absolute and unconditional. The Guarantor shall for all purposes of this guarantee and of this Agreement be regarded and be in the same position as a principal obligant and the Guarantor expressly waives demand, presentment, protest and notice of default.

This guarantee and assumption of obligations shall be valid notwithstanding any change or changes in any name or any change or changes in the ownership or control of the Licensee corporation by death or by retirement of one or more of the officers or shareholders of such corporation, or by the introduction of new officers or shareholders, or an amalgamation of the licensee with any other corporation.

In the event there shall be more than one Guarantor, then the liability of the Guarantors to us shall be joint and several and notice to one Guarantor shall be deemed to be notice to all Guarantors. This guarantee and assumption of obligations on the part of the Guarantor shall extend to and enure to our benefit, our successors and assigns.

The Guarantor shall not be entitled to any notices to the Licensee as prescribed pursuant to Article 14 hereunder.

14. GENERAL

14.1 Cumulative Remedies

Our rights and remedies are cumulative and no enforcement of a right or remedy shall preclude the enforcement of any other right or remedy.

14.2 Waiver

We reserve the right from time to time to waive any of the obligations imposed under this Agreement on you. No waiver by us of any obligation or of any default or breach of any of the terms or conditions of this Agreement shall constitute a novation, or a waiver by us of any other obligation, default or breach.

14.3 Entire Agreement

This Agreement sets forth the entire understanding between the parties and contains all of the terms and conditions agreed upon by the parties with reference to the subject matter of this Agreement. No other agreements, oral or otherwise, shall be deemed to exist or to bind any of the parties, and all prior agreements and understandings are superseded hereby. None of our officers, employees or agents has any authority to make any agreement, warranty, representation or promise not contained in this Agreement, and you agree that you have executed this Agreement without reliance upon any such agreement, warranty, representation or promise. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

Please initial

14.4 Recitals

The Recitals shall be included in and form a part of this Agreement.

14.5 Modification of Agreement

This Agreement may only be modified as expressly provided herein or otherwise by a written agreement signed by both parties.

14.6 Covenant to Execute Further Documents or Acts

The parties agree to acknowledge, execute and deliver all such further documents, instruments or assurances and to perform all such further acts or deeds as may be reasonably required from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent, including but without limitation, any General Security Agreement and Construction Agreement required by us.

14.7 Relationship of Parties

It is expressly agreed that the parties intend by this Agreement to establish the relationship of licensor and licensee; each as an independent contractor, and that it is not the intention of either party to establish a fiduciary or delegatory relationship or to undertake a partnership or joint venture or to make a party in any sense an agent, employee, beneficiary, co-venturer of the other. It is further agreed that you have no authority to and will not transact any business or enter into any contract in our name, or create or assume

in our name or on our behalf in any manner, directly or indirectly, any liability or obligation, express or implied, or act or purport to act as our agent or representative for any purpose whatsoever, and you shall not hold yourself out as having any such authority, nor conduct yourself in any manner so as to confuse, mislead or deceive anyone as to your relationship with us.

14.8 Severability

In the event that any paragraph or subparagraph of this Agreement or any portion thereof shall be held to be indefinite, invalid, illegal or otherwise void, voidable or unenforceable, it shall be severed from this Agreement, and the balance of this Agreement shall continue in full force and effect.

14.9 Curtailment of Provisions

- (a) If any provision of this Agreement conflicts with any present or future law contrary to which the parties have no legal right to contract, or if any provision of this Agreement (other than for the payment of money) is deemed by any tribunal or Court to be unreasonable, the parties agree that the provision of this Agreement thus affected shall be curtailed and limited to the extent necessary to bring it within the requirements of the law or within what such tribunal or Court would have found to be reasonable in the circumstances, and this Agreement shall thus remain valid and enforceable, and the parties agree to be bound by and perform the same as so modified; and
- (b) We reserve the right at any time upon written notice to you to that effect to unilaterally curtail and limit any provision of this Agreement, and the parties agree to be bound by and perform the same as so modified from time to time.

14.10 Choice of Law

Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the State of Delaware, except that no Delaware statute or regulation will apply or will give rise to any right or claim except to the extent that the Franchisee is conducting business in the State of Delaware and such statute or regulation would apply to this Agreement by its own terms in the absence of any choice of law provision. Franchisee expressly waives any rights or protections it has or may have under any statute or law of any other state to the fullest extent permitted by law.

14.11 Survival of Covenants

The terms and conditions of this Agreement which by their nature require performance by you or others after assignment, expiration or termination, shall remain enforceable notwithstanding the assignment, expiration or termination of this Agreement.

14.12 Interpretation

The singular shall include the plural, and the masculine shall include the feminine and neuter, and vice versa; and if there is more than one person, firm, limited partnership, limited liability company or corporation referred to as you hereunder, their obligations and liabilities are joint and several. In the interpretation of this contract or any part of it, no rule of construction shall apply to the disadvantage of any Party on the basis that that Party prepared this contract or any part of it; it being agreed that all parties participated in the drafting of this contract.

14.13 Without Limitation

The words “includes”, “including” and “inclusive” and the phrases “in particular”, “such as” and “for example” shall be interpreted and construed so as not to limit the generality of the words of general application or nature which precede those words.

14.14 Other Documents Included

The words “this Agreement” shall be deemed to include all other agreements and instruments in effect between you (and/or your Affiliates) and us (and/or our Affiliates), where the context so permits.

14.15 No Withholding

You agree that you will not, on the grounds of alleged non-performance by us of any of our obligations hereunder, or in the event of any dispute, or a claim by you, or for any other reason whatsoever, withhold payment of any amounts due to us. You acknowledge that the withholding of payments will cause irreparable harm to us and to our System, by not maintaining the uniformity and integrity thereof, and by hindering our ability to meet and to continue to meet our obligations to Steamoji System and to you and our other licensees. For these reasons, you agree that in any action brought by us to enforce payment, the balance of convenience between the parties rests with us.

14.16 Time of Essence

Time shall be of the essence for all purposes of this Agreement.

14.17 Notices

Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered by hand at our address as shown on the first page of this Agreement; and to you at the address shown on the first page of this Agreement or at the address of the Premises (if you are still in the possession or control of the Steamoji Academy at the Premises at the time); or to such other address as the respective parties may in writing advise. Any such notice shall be deemed to have been given and received when delivered.

14.18 Authorization

You authorize us to make enquiries of you or your bankers, suppliers and trade creditors as to their dealings with you, to discuss the affairs, finances and accounts of the Steamoji Academy and to obtain information and copies of all written materials relating to such dealings. If requested, you agree to execute and deliver such direction and other documents as we may require in order to permit the release or disclosure of any such information to us, our agents or nominees.

14.19 Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, estates, executors, administrators, legal personal representatives, successors and permitted assigns.

14.20 Submission of Agreement

The submission of this Agreement to you does not constitute an offer, and this Agreement shall become effective only upon execution by both parties.

14.21 Investigations

We shall have the right, for the purposes of this Agreement, and you and, where applicable, each Guarantor hereby consents and agrees, to us from time to time conducting investigations and making inquiries of such persons as we in our reasonable judgment deem appropriate concerning the credit standing, character and

personal qualifications of Licensee and, where applicable, each Guarantor, and you and, where applicable, each Guarantor hereby consents and agrees to each such person disclosing such information to us for such purposes. We agree to comply with the requirements of any applicable laws with respect to such investigations and inquiries.

14.22 Power of Attorney

Upon expiry or termination of this Agreement for whatever reason, we may, if you do not do so, execute in your name and on your behalf all such documents and instruments necessary or reasonably required in our judgment to end and cause the discontinuance of your use of Steamoji name and related Trademarks and System; or to execute any other document required to effect such termination or expiry (such as assignment of telephone numbers and directory listings, Name License) and you hereby irrevocably nominate, constitute and appoint the person serving from time to time as the President of the Licensor to be your attorney-in-fact so to do, and you hereby allow, ratify and confirm all actions taken in pursuance of the authority herein conferred upon the President of the Licensor by the granting of this power of attorney. Any recipient including any internet domain name granting authority or telephone company may accept this Agreement or a notarized copy thereof as executed by you as evidence of such power of attorney. Where the Licensee is a corporation, it hereby waives any provisions of the Power of Attorney legislation requiring the common seal of the corporation to be actually affixed hereto in order for the powers of attorney granted herein to be valid. This Agreement shall be treated for all purposes as if the common seal of the corporate Licensee has been affixed hereto under the hands and in the presence of its duly authorized officers. This Agreement, including the powers of attorney granted herein, is intended to take effect as a sealed instrument of the Licensee.

Please initial

14.23 Waiver of Jury Trial

IN ANY LITIGATION BETWEEN THE PARTIES FOUNDED UPON OR ARISING FROM THIS AGREEMENT, THE PARTIES, TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW, HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL, AND THE PARTIES HEREBY STIPULATE THAT ANY SUCH TRIAL SHALL OCCUR WITHOUT A JURY.

14.24 Limitation of Action

As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages. You further agree that no cause of action arising out of or under this Agreement may be maintained by you against us unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

14.25 Waiver of Punitive Damages

You hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against us arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that your recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

14.26 Beyond Our Reasonable Control

We shall not be liable in any way to you for the consequences of any failure by us to deliver any goods or services to you as contemplated or pursuant to this agreement where such failure is caused by reasons which are beyond our reasonable control.

14.27 Variance by Reason of Force Majeure

If the performance of any obligation by any party under this Agreement is prevented, hindered or delayed by reason of Force Majeure, which cannot be overcome by reasonable commercial measures, the parties will be relieved of their respective obligations (to the extent that the parties, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure must give prompt written notice of such Force Majeure event to the other party by setting forth the nature of the Force Majeure and an estimate as to its duration. As used in this Agreement, the term "Force Majeure" means any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party and any other cause not within the control of the party affected thereby. Your inability to obtain financing (regardless of the reason) may not constitute Force Majeure.

14.28 Release for Previous Term on Renewal

If this license agreement is a renewal of any previous license agreement between you and us then, in consideration of us granting to you or your affiliates, the license to operate a Steamoji Academy for the renewal term, you, the guarantor and persons signing this license agreement on behalf of the "licensee" shall and do, by virtue of and upon such execution, on behalf of themselves and their respected estates, heirs, executors, administrators, legal representatives, successors and assigns, hereby release and forever discharge us, our directors and officers and our affiliates and their directors and officers of and from any and all manner of actions, causes of actions, suits, proceedings, claims, demands, liabilities, losses and damages of every nature and kind whatsoever which any of the afore said have or hereinafter can, shall or may have with respect to or arising out of or resulting from or connected in any way with the previous license agreement or any other instrument or agreement relating thereto or the business relationship between us or any of our affiliates and you or any of your affiliates or principals up to the present time.

14.29 Reasonable Business Judgment

Whenever we reserve discretion in a particular area or where we agree to exercise our rights or discretion, reasonably, we will satisfy its obligations whenever it exercises reasonable business judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable or discretion alternatives are available, if its decision or action is intended, in whole or significant part, to promote or benefit the Steamoji System generally, even if the decision or action also promotes its financial or other individual interest. Examples of items that will promote or benefit the Steamoji System include, without limitation, enhancing the value of the trademarks, improving service and satisfaction, improving teaching methodology, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the system.

14.30 Third Party Beneficiary

The parties acknowledge and agree that Steamoji Inc. shall be deemed a third party beneficiary under this Agreement and can bring action to enforce his rights against any party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first written below.

LICENSOR:

STEAMOJI AMERICA SERVICES INC

[illegible]

21014191v17 095313.00000

Occupation

SIGNED, SEALED and DELIVERED by ☐ in)
the presence of:)

Name)

Address)

_____))

_____))

Occupation)

_____) SEAL

SCHEDULE "A"

SPECIFIC TERMS

1. The specific address of the Premises is currently unknown. The Licensee is acquiring territory that is part of [SPECIFIC CITY] as represented by the map noted below. The borders of the Territory are outlined in black: (Section 2.1)

◆

◆

◆

2. The following person(s) are "owner-operators" and shall participate actively on a full-time basis in the management and operation of the Steamoji Academy (Section 1.8)

◆

◆

◆

3. The Effective Date of this Agreement is ◆.

4. Term and Renewal: 7 years concluding [INSERT DATE]

5. The Renewal Fee is 25% of the then current Initial License Fee, plus the Licensor's administrative and legal expenses for processing the renewal (Section 2.6)

6. The Initial license Fee specified in Section 5.1 is **\$40,000**, plus applicable taxes.

7. The amount of Continuing Royalties specified in Section 5.2 are **8%** of the sum of Gross Revenues or Gross Sales plus the cost of payment processing for each transaction that is processed for your benefit by the payment processor engaged by us (acting as your agent), per month, plus applicable taxes. This will be deductible for management fees paid to us.

8. The Membership Fees that are paid by parents to the Steamoji payment processing system (that we contract with on your behalf acting as your agent) are standardized pricing tiers that may vary by region. The current Pricing tiers are as follows:

Tier 1 (for upscale markets, academies with over 100 members):

Annual Membership: \$349/mo plus taxes

Monthly Membership: \$399/mo plus taxes

Quarterly Membership: \$1099/12-week semester plus taxes

Full-day Camp: \$599 plus taxes

Half-day Camp: \$399 plus taxes

Tier 2 (for mid-range markets, academies with 60-100 members):

Annual Membership: \$299/mo plus taxes

Monthly Membership: \$349/mo plus taxes

Quarterly Membership: \$949/12-week semester plus taxes

Full-day Camp: \$549 plus taxes
Half-day Camp: \$349 plus taxes

Tier 3 (for cheaper markets, academies with less than 60 members):

Annual Membership: \$249/mo plus taxes
Monthly Membership: \$299/mo plus taxes
Quarterly Membership: \$799/12-week semester plus taxes

Full-day Camp: \$499 plus taxes
Half-day Camp: \$299 plus taxes

Standard memberships with a one-year commitment are \$299 per month paid in installments. Before opening we encourage 'Founding Membership' pricing that starts at \$199 per month (with a minimum 12-month commitment) and increases to \$249 after the doors open until a total of 60 memberships is reached. Standard Memberships without an annual commitment are priced at \$349 per month and Semester Memberships are priced at \$949 per 12-week semester. Holiday camp fees are \$349 for a half-day week and \$549 for a full-day week. The Steamoji Ignite product is priced at \$499 for a 12-week semester. After-School programs are priced at \$379 per student for a 10-week semester.

9. Local Advertising Obligation specified in Section 9.3 is an average spend of **\$2000 per month**, calculated on a quarterly basis.
10. Branding Fund contribution is **2%** of Gross Revenues per month plus applicable taxes.
11. In terms of taxes, the payment provider will collect all Membership Fees from parents on your behalf, including applicable taxes, and will deduct royalties and other monies that you owe to us from such payments, then remit the balance to you less the payment provider's fee and any applicable taxes on that fee. The payment provider fees that are deducted constitute additional consideration payable by you to us in respect of the Continuing Royalties and are, therefore, subject to applicable tax.
12. Launch Marketing/Opening promotion (section 9.2): **\$20,000**

You must spend \$20,000 on grand opening advertising from at least 90 days immediately preceding the opening of the Licensed Business and until 60 days after the opening of the Licensed Business. The amounts you spend for grand opening advertising are typically not refundable. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing. This amount is in addition to the amount you must spend on local advertising. This spend will approximately be broken down into below:

MARKETING TASK	FEE
Initial Marketing Materials	\$2,000
Design Fees	\$500
Digital Optimization (SEO, Google)	\$3,000
Events	\$2,000
Event Package	\$1,000
Business Development	\$1,000
Local PR	\$2,500
Signage	\$1,500
Direct Mail	\$3,000

VIP Event / Grand Opening	\$2,500
Localized Video	\$1,000

13. Assignment Fee (section 11.4) is **50%** of the existing initial license fee if the assignment is to a third party. The Assignment Fee shall be **25%** of the then current initial license fee if the assignment is to an existing licensee.
14. Technology and other fees payable to us: **\$3000** initial technology fee and **\$350** per month which can be increased by a maximum of 10% once annually. The technology fee starts to be payable once your academy opens to the public.
15. The Steamoji Academy design package payable to us: **\$3000**. These fees are part of the Design Package, Architect and Engineering fees described in the franchise disclosure document. Specifically, this fee covers all the tasks that Steamoji is responsible for as described below

STEPS	ACTIVITY	RESPONSIBILITY	FEES PAID BY
1.0	Obtain base building plans from the landlord or request from the city.	Franchisee	Franchisee
2.0	Create 2-3 "Test Fit" layouts and estimate capacity (from base building plans).	Steamoji	Franchisee
3.0	Create Development Permit (DP) package which includes architectural permit drawings only.	Franchisee	Franchisee
3.1	Steamoji reviews DP package before submitting to local authority.	Steamoji	None
3.2	Submit approved DP plans to local authority for approval.	Franchisee	Franchisee
4.0	Create Building Permit (BP) after DP is approved by local jurisdiction.	Franchisee	Franchisee
4.1	Steamoji reviews BP package before submitting to local authority.	Steamoji	None
4.2	Submit approved BP plans to local authority for approval.	Franchisee	Franchisee
5.0	Steamoji to apply branding guides to BP drawings.	Steamoji	Franchisee
6.0	Franchisee architect to incorporate branding guides to their construction package.	Franchisee	Franchisee

15. Referral Program. The Licensor currently has a referral program in place for existing Licensees who refer new licensees. The referral program is offered on a limited time basis, and may be discontinued at any time by the Licensor. If a Licensee refers a third-party who becomes a licensee within 12 months of such referral, then the referring licensee is paid a referral fee of up to \$10,000 by the Licensor. The referral fee is paid for each successful licensee that is referred, not by number of locations operated by such referred licensee. Additionally, if the referred licensee(s) operates multiple locations under different names (e.g. under two different corporate entities), only one referral fee is payable. There is no obligation to participate in this program or refer potential licensees.

16. Special conditions (if any)

PRINCIPALS AND OWNERSHIP OF LICENSEE

The names of the shareholders or partners and their voting and equity interests in you are as follows:

<u>NAMES OF SHAREHOLDERS OR PARTNERS INTEREST</u>	<u>% VOTING INTEREST</u>	<u>% EQUITY</u>
<hr/>	<hr/>	<hr/>
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The directors and officers of you are as follows:

NAMES OF DIRECTORS

NAMES AND TITLES OF OFFICERS

<u>NAME</u>	<u>TITLE</u>
<hr/>	<hr/>
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SCHEDULE "B"

FORM OF TRADEMARK LICENSE AGREEMENT AND TRADEMARKS

TRADEMARK LICENSE

RE: TRADEMARK:

1. Steamoji Inc., an affiliate of the Licensor, owns the following trademarks in the United States (collectively the "Trademarks").

STEAMOJI	Applicant: STEAMOJI, INC. 2035 Sunset Lake Road, Suite B-2 Newark, DE 19702 UNITED STATES OF AMERICA	USA Registration No: 6760851 Registration Date: June 14, 2022
STEAMOJI	Applicant: STEAMOJI, INC. 2035 Sunset Lake Road, Suite B-2 Newark, DE 19702 UNITED STATES OF AMERICA	USA Registration No: 6760967 Registration Date: June 14, 2022
Build to Solve	Applicant: STEAMOJI, INC. 2035 Sunset Lake Road, Suite B-2 Newark, DE 19702 UNITED STATES OF AMERICA	USA Registration No: 6896029 Registration Date: November 8, 2022
  (Oji Design)	Applicant: STEAMOJI, INC. 2035 Sunset Lake Road, Suite B-2 Newark, DE 19702 UNITED STATES OF AMERICA	USA Registration No: 6760966 Registration Date: June 14, 2022
	Applicant: STEAMOJI, INC. 2035 Sunset Lake Road, Suite B-2 Newark, DE 19702 UNITED STATES OF AMERICA	USA Registration No: 6760965 Registration Date: June 14, 2022

2. The Licensee confirms that Steamoji Inc. is the owner of such trademarks, that Licensor is licensed by Steamoji, Inc to sublicense such trademarks in the United States and that the Licensee has no direct or indirect interest in such Trademarks, other than the licensed right provided for herein.

3. The Licensee has been granted a license to use the Steamoji System and Trademarks acknowledges and agrees that that a default under such License Agreement is a default under this Trademark License and a default under this Trademark License is a default under the License Agreement.

4. In consideration of the premises and the mutual covenants and agreements contained herein, and for other consideration acknowledged by the parties to be of sufficient value, the Licensee is hereby licensed to use the Trademarks in association with educational services as follows:

Operation and management of learning centers for children; educational and online educational services, namely, programs in the field of science, technology, engineering and mathematics (STEM) involving 3D printing, circuits, microelectronics and robotics; providing courses for pre-kindergarten through 12th grade classroom instruction, vocational instruction, mentoring, tutoring, classes, seminars and workshops for individuals with varying learning styles using multi-sensory methods to reach all modalities; educational and online educational services, namely, providing a multi-sensory approach to classroom teaching and instruction to grades pre-kindergarten to senior high school in the fields of general college preparatory education; educational and online educational services, namely, providing pre-kindergarten through 12th grade (pre-K-12) classroom instruction; educational services in the nature of college preparatory schools; educational and online educational services, namely, conducting classes in the field of college preparatory education and distribution of course and educational materials in connection therewith; educational services, namely, providing online courses of instruction at the pre-kindergarten through 12th grade level and distribution of course material in connection therewith; providing after school educational programs for children in grades pre-kindergarten through 12th grade; providing courses of instruction at the preschool, lower school, upper school, college preparatory program, college study, graduate school preparatory study, and adult learning program level; providing information relating to education services; Providing information relating to education services for children; providing information in the field of children's education:

5. The Licensee may only use the Trademarks for these goods and services (and no other services or wares) and from the authorized location of _____ (and from no other location).

6. The Licenser will from time to time establish or approve specifications and quality control standards in respect of the method of use of the Trademarks and in respect of the character or quality of the products and services in association with which the Trademarks are used, and upon such specifications and quality control standards being established or approved and communicated to the Licensee, the Licensee shall comply with all such specifications and quality control standards when it uses, advertises or displays the Trademarks.

7. The Licenser will have the right to inspect any business operations of the Licensee at any reasonable time during normal business hours in order to determine compliance with the specifications and quality control standards and this Trademark License. The Licensee will promptly rectify all defaults in compliance upon receipt of written notice from the Licenser, failing which the Licenser will have the right to terminate this Trademark License Agreement by written notice.

8. The Licensee will give public notice of the fact that its use of the Trademark is a licensed use, and identifying the Licenser as the owner of the Trademark, in the manner and form prescribed by the Licenser and communicated to the Licensee from time to time. (Example: "Trademark owned and controlled by the Licenser and used by the Licensee under license from the Licenser").

9. The Licensee hereby acknowledges the Licenser's ownership/control/interest in the Trademarks and their goodwill, and hereby agrees not to act or assist others to impair the ownership, validity or goodwill of the Trademarks, to act in bad faith in respect of the Trademarks or the Licenser.

10. The Licensee hereby assigns to the Licenser any and all right, title and interest in and to the Trademarks which may have accrued to the Licensee as a result of the use of the Trademarks by the Licensee up to the time of this Trade Mark License being granted to the Licensee, together with the goodwill associated with the Trademarks arising out of any and all business carried on by the Licensee in association with and symbolized by the Trademarks up to that time.

11. This Trademark License Agreement is not assignable or transferable or to be sublicensed by the Licensee to any other party except with the prior approval in writing of the Licenser, in its sole discretion.

12. This Trademark License Agreement may only be modified as expressly provided herein or otherwise by a written agreement signed by both parties.
13. The term of the license granted herein shall continue for the term of the License Agreement granted by the Licensors to the Licensee, or until this Trademark License Agreement or such License Agreement is terminated, as provided herein and therein.
14. Licensors have established and shall maintain ownership of and control over the internet domain name www.steamoji.com and the internet website connected to it. Licensors reserve the right at any time to prescribe by written notice that Licensee shall be connected to, and shall make use of such internet domain name and internet web site, including for all of its internet advertising associated with Trademarks and name and the Steamoji Academy, in the manner and form designated or reasonably approved in advance by Licensors from time to time.
15. In any event, Licensee shall only use the internet (including social media use) in association with the Steamoji name and the Trademarks and the Steamoji Academy in the manner and form designated or reasonably approved in advance by Licensors from time to time.
16. Licensee acknowledges and agrees that Licensors have the right to approve or disapprove of the contents of any internet website or social media page that uses or is associated with the Steamoji name or the Trademarks from time to time, and Licensee agrees that upon receipt of written notice from Licensors disapproving of any contents of any internet website or social media page associated with the Steamoji name or the Trademarks, Licensee shall forthwith remove or cause the removal of all such disapproved contents from further display thereon or access therefrom.
17. Licensee acknowledges and agrees that Licensors have the right to claim the ownership of, and the right to use and to license the use of any or all of the information collected on or in connection with any internet website associated with the Steamoji name or the Trademarks.
18. Licensee shall not engage in any use, such as linking or framing, of any internet website associated with the Steamoji name or the Trademarks or the Steamoji Academy in association with any other internet website or social media page or in association with any other name or trade mark or internet domain name not owned by Licensors, or in association with any other business than the Steamoji Academy, without the Licensors' prior written approval, including advance approval, if any, of the exact manner and form of any such permitted use.
19. This Trade Mark License Agreement may be terminated by the Licensors by written notice delivered to the Licensee at the address noted above upon the Licensee's breach of any of the terms or conditions hereof; or upon a change of the Licensee's business or legal status; or upon the Licensee abandoning or ceasing use of the Trademarks; or upon the Licensee changing its use of the Trademarks in a manner not contemplated or authorized hereby; or upon the Licensee using the mark for services or wares not authorized under this or any other license.
20. The Licensee hereby agrees to indemnify and hold harmless the Licensors from and against all claims and liabilities that may arise out of or in connection with the use of the trademark by the Licensee in accordance with this Trademark License Agreement.
21. The Licensee is an independent contractor, and it shall not hold itself out in using the Trademark as having any different relationship to the Licensors, and the Licensors shall not be liable for the debts, liabilities, contracts or torts of the Licensee that may arise out of or in connection with the use of the Trademark by the Licensee.
22. Any use by the Licensee of any of the Trademark or any part thereof as or as a part of the Licensee's trade name, firm name or corporate name requires the prior approval in writing of the Licensors and all such use from time to time is governed by this Trademark License Agreement.
23. Upon termination of this Trademark License Agreement (or any other Agreement between the parties, including any license Agreement), the Licensee shall immediately discontinue all use of the Trademark.
24. The aforesaid conditions of trademark use and licensing are hereby accepted and agreed to by the Licensee.

25. The parties have had an opportunity to be advised by their respective legal and financial advisors in respect of this license.

26. This Trademark License Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, estates, executors, administrators, legal representatives, successors and permitted assigns. The singular includes the plural and the masculine includes the feminine and the body corporate.

DATED as of the ____ day of _____. 20__.

**ON BEHALF OF THE LICENSOR:
STEAMOJI AMERICA SERVICES INC.**

Per: Authorized Signatory

LICENSEE: _____

Per: Authorized Signatory

CERTIFICATE OF INDEPENDENT LEGAL ADVICE (Individual)

TO: ◆

This is to certify that I have been consulted by _____ (the Licensee) and have given independent legal advice as to the legal effects of the licensee entering into the License Agreement with _____ and all related agreements as are required under the License Agreement, and that the License declared to me and I am satisfied that the Licensee is aware of the contents of the License Agreement and all such related agreements and understands them.

DATED at the City of _____, State of _____, this _____ day of _____, 20_.

Signature of Attorney

Printed Name

Address

STATEMENT OF LICENSEE

I am the licensee named in this Certificate:

(Signature of licensee)

WAIVER OF INDEPENDENT LEGAL ADVICE

TO: ◆

I, the undersigned licensee, hereby acknowledge that I have had an adequate opportunity to consult with my own independent legal advisor as to the legal effects of my entering into the License Agreement with ◆. and all related agreements as are required under the License Agreement. I further acknowledge that I am aware of the contents of the License Agreement and all such related agreements and understand them, and that I have (*tick appropriate box*):

- ☐ Freely and voluntarily declined to have my attorney execute the Certificate of Independent Legal Advice.
- ☐ Freely and voluntarily waived my rights to receive independent legal advice from my attorney.

DATED at the City of _____, State of _____, this _____ day of _____, 20_.

(Signature of licensee)

CERTIFICATE OF INDEPENDENT LEGAL ADVICE (Corporation)

TO: ◆

This is to certify that I have been consulted by _____, a Director or Officer of _____ (the Licensee and have given independent legal advice to the Licensee as to the legal effects of the Licensee entering into the license Agreement with ◆ license System Inc. and all related agreements as are required under the license Agreement, and that the license e declared to me and I am satisfied that the license e is aware of the contents of the license Agreement and all such related agreements and understands them.

DATED at the City of _____, State of _____, this day of __, 20__.

Signature of Attorney

Printed Name

Address

STATEMENT OF LICENSEE

I am the Director or Officer of the licensee named in this Certificate:

(Signature of licensee)

(Title)

WAIVER OF INDEPENDENT LEGAL ADVICE

TO: ◆

I, the undersigned Director or Officer of the licensee, hereby acknowledge that he licensee has had an adequate opportunity to consult with its own independent legal advisor as to the legal effects of its entering into the License Agreement with ◆. and all related agreements as are required under the License Agreement. I further acknowledge that the Licensee is am aware of the contents of the License Agreement and all such related agreements and understand them, and that it has (*tick appropriate box*):

- ☐ Freely and voluntarily declined to have its attorney execute the Certificate of Independent Legal Advice.
- ☐ Freely and voluntarily waived its rights to receive independent legal advice from its attorney.

DATED at the City of _____, State of _____, this _____ day of _____, 20__.

(Signature of licensee)

(Title)

SCHEDULE "C"

SAMPLE GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of _____, 20__, between _____, with an address at _____ ("Debtor") and **STEAMOJI AMERICA SERVICES INC.**, a Delaware corporation with an address at 16630 Redmond Way, Redmond, WA, United States 98052 ("Secured Party").

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Debtor agrees with Secured Party as follows:

1. Definitions.

- (a) *Collateral.* "Collateral" means all of the following assets, wherever located, that are now owned or hereafter acquired by Debtor or in or to which Debtor now has or hereafter acquires any right, title or interest:
- (i) Accounts;
 - (ii) Chattel Paper;
 - (iii) Inventory;
 - (iv) Equipment;
 - (v) Fixtures;
 - (vi) Instruments, including Promissory Notes;
 - (vii) Investment Property;
 - (viii) Documents;
 - (ix) Deposit Accounts;
 - (x) Letter-of-Credit Rights;
 - (xi) any Commercial Tort Claim described in the Schedule;
 - (xii) General Intangibles, including patents, trademarks, copyrights and other intellectual property;
 - (xiii) Supporting Obligations;
 - (xiv) money and other personal property; and
 - (xv) to the extent not listed above as original collateral, Proceeds and products of the foregoing.
- (b) *Event of Default.* An "Event of Default" occurs or exists if:
- (i) Debtor or any Third Party fails to pay when due any of the Obligations requiring the payment of any amount and the failure continues for 10 days;

- (ii) Debtor or any Third Party fails to perform or comply with any of the Obligations (other than those requiring the payment of any amount) when or as required and the failure continues for 10 days after the earlier of (A) Debtor's knowledge of the failure or (B) Secured Party's delivery to Debtor of written notice of the failure;
 - (iii) Any default or event of default, for purposes of or as defined in any document evidencing, guaranteeing or securing all or any portion of the Obligations or any obligations owing to any affiliate of Secured Party, occurs or exists after giving effect to any applicable cure or grace period;
 - (iv) Any representation or warranty contained in this Agreement, in any financial statement delivered to Secured Party at any time by or on behalf of Debtor or in any document evidencing, guaranteeing or securing any of the Obligations is incorrect or misleading in any material respect;
 - (v) Debtor transfers or disposes of any of the Collateral, except as expressly permitted by this Agreement;
 - (vi) Debtor is dissolved, ceases to exist, makes any bulk sale, becomes insolvent (however evidenced), generally fails to pay its debts as they become due, fails to pay, withhold or collect any tax as required by applicable law, suspends or ceases its present business or has entered, served, filed or recorded against it or against any of its assets any judgment, lien, attachment, execution or levy;
 - (vii) Debtor or any Third Party has any receiver, trustee, custodian or similar Person appointed for it or any of its assets, makes any assignment for the benefit of creditors or commences or has commenced against it any case or other proceeding under any bankruptcy, insolvency or similar law;
 - (viii) Debtor fails to comply with, or becomes subject to any administrative or judicial proceeding under, any applicable (i) hazardous waste or environmental law, (ii) asset forfeiture or similar law which can result in the forfeiture of property or (iii) other law, and such noncompliance with any such law described in (i), (ii) or (iii) has or may have any significant effect on Debtor's business or the Collateral;
 - (ix) Any Third Party who is an individual dies or is incompetent; or
 - (x) Secured Party deems itself insecure with respect to the Obligations or is of the opinion that the Collateral is not or may not be sufficient or has decreased or may decrease in value.
- (c) *Obligations.* "Obligations" means:
- (i) all of Debtor's present and future obligations to Secured Party, including all such obligations under this Agreement and any loan agreement, promissory note, sublease or franchise or other agreement;
 - (ii) (A) all amounts that Secured Party may advance or spend at any time for the maintenance or preservation of any of the Collateral and (B) all other expenditures that Secured Party may make at any time under the provisions of this Agreement or for the benefit of Debtor;
 - (iii) all amounts and other obligations owed or required to be performed or complied with at any time under any replacements, modifications, renewals or extensions of any of the foregoing obligations; and

- (iv) all of the foregoing obligations that arise after the filing of a petition by or against Debtor under any bankruptcy, insolvency or similar law, even if the obligations do not accrue because of the automatic stay under Bankruptcy Code § 362 or otherwise.
- (d) *Third Party*. "Third Party" means any guarantor, partner or other Person liable for, or who or that owns or has any interest in any asset that secures, all or any portion of the Obligations.
- (e) *Permitted Lien*. "Permitted Lien" means any security interest or other lien completely and accurately described in the Schedule.
- (f) *Person*. "Person" means (i) any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated association, government or political subdivision, (ii) any court, agency or other governmental body or (iii) any other entity, body, organization or group.
- (g) *Schedule*. "Schedule" means the Schedule attached to and made a part of this Agreement.
- (h) *UCC*. Any capitalized or other term used in the Uniform Commercial Code ("UCC") and not defined in this Agreement has the meaning given to the term in the UCC as in effect from time to time in the State of Delaware.

2. **Grant of Security Interest.**

Debtor grants to Secured Party a continuing security interest in the Collateral to secure the payment and performance of the Obligations.

3. **Perfection of Security Interests.**

- (a) *Filing of Financing Statements*. Debtor authorizes Secured Party to file one or more financing statements describing the Collateral and, without limiting the foregoing, authorizes Secured Party to use terms such as "All assets" or "All personal property and fixtures" to describe the Collateral.
- (b) *Possession*.
 - (i) Debtor will maintain possession of the Collateral, except where expressly otherwise provided in this Agreement.
 - (ii) Where any of the Collateral is in the possession of another Person, or located on premises leased and not owned by Debtor, Debtor will join with Secured Party in notifying the Person or the landlord of Secured Party's security interest and will obtain, upon request by Secured Party, a warehouseman waiver, a bailee waiver or a landlord waiver, as appropriate, in form and substance satisfactory to Secured Party.
- (c) *Control Agreements*. Debtor will, upon request of Secured Party, obtain a control agreement in form and substance satisfactory to Secured Party with respect to any of the Collateral consisting of Deposit Accounts, Investment Property, Letter-of-Credit Rights or Electronic Chattel Paper.
- (d) *Marking of Chattel Paper*. Debtor will not create any Chattel Paper without placing a legend on the Chattel Paper acceptable to Secured Party indicating that Secured Party has a security interest in the Chattel Paper.

4. **Covenants and Rights Concerning the Collateral.**

- (a) *Inspection and Verification*. Secured Party may inspect any of the Collateral in Debtor's possession, at any time upon reasonable notice. Secured Party may verify any of the Collateral not in Debtor's possession in any manner or through any medium, whether directly with any Person obligated with respect thereto or in the name of Debtor or otherwise.

- (b) *Taxes; Defense of Collateral.* Debtor will (i) before the end of any applicable grace period, pay each tax, assessment, fee and charge imposed by any government or political subdivision upon any of the Collateral or the acquisition, ownership, possession, use, operation or sale or other disposition thereof and (ii) defend the Collateral against each demand, claim, counterclaim, setoff and defense asserted by any Person.
- (c) *Obligations Relating to Collateral.*
- (i) *Risk of Loss.* Debtor has the risk of loss of the Collateral.
 - (ii) *No Collection Obligation.* Secured Party has no duty to collect any income accruing on the Collateral or to preserve any rights relating to the Collateral.
 - (iii) *No Assignment.* This Agreement does not constitute any assignment by Debtor to Secured Party of any obligation of Debtor relating to any of the Collateral and Debtor will at all times remain obligated to perform each such obligation.
- (d) *No Disposition of Collateral.* Secured Party does not authorize Debtor to, and Debtor will not:
- (i) make any sale, lease or other disposition of any of the Collateral, except Inventory in the ordinary course of business;
 - (ii) license any of the Collateral;
 - (iii) modify, compromise, cancel, subordinate or waive any right relating to any of the Collateral; or
 - (iv) grant any security interest in or other lien upon any of the Collateral except in favor of Secured Party or any Permitted Lien.
- (e) *Purchase Money Security Interests.* To the extent the Obligations are used by Debtor to purchase any of the Collateral, Debtor's repayment of the Obligations will apply on a first-in-first-out basis so that the portion of the Obligations used to purchase a particular item of the Collateral will be paid in the chronological order Debtor purchased the Collateral.
- (f) *No Installation.* Debtor will prevent any Goods included in the Collateral from being affixed to or installed in or on any real property or any Goods not included in the Collateral.
- (g) *Treatment of Collateral.* Debtor will maintain all Goods included in the Collateral in good condition except for ordinary wear and tear.
- (h) *Debtor's Other Covenants.*
- Debtor:
- (i) will preserve its existence and not, in one transaction or a series of related transactions, merge into or consolidate with any other Person, or sell or otherwise transfer all or substantially all of its assets;
 - (ii) will not change the state of its incorporation or organization;
 - (iii) will not change the location of any of the Collateral;
 - (iv) will not change its legal name;
 - (v) will conduct its business and use and maintain the Collateral in compliance with all applicable laws;

- (vi) will maintain all-risk property insurance reasonably satisfactory to Secured Party, naming Secured Party as lender's loss payee or the equivalent and provide evidence of such insurance to Secured Party;
- (vii) will promptly notify Secured Party of (i) any information required to at all times keep each representation and warranty contained in Section 5(g) hereof complete and accurate in all respects, (ii) any loss, theft or destruction of or damage to, or any demand, claim, counterclaim, setoff or defense affecting, any of the Collateral and (iii) the occurrence or existence of any Event of Default; and
- (viii) will comply with any additional covenants set forth in the Schedule.

5. Debtor's Representations and Warranties.

Debtor represents and warrants that:

- (a) **Authority.** The execution, delivery to Secured Party and performance of this Agreement by Debtor (i) do not and will not violate applicable law, any judgment or order of any court, agency or other governmental body by which Debtor is bound or, if Debtor is not an individual, any certificate or articles of incorporation or organization, by-laws, operating or partnership agreement or other charter, organizational or other governing document of Debtor or any resolution or other action of record of any shareholders, members, directors or managers of Debtor, (ii) do not and will not violate or constitute any default under any agreement, instrument or other document by which Debtor is bound, (iii) if Debtor is not an individual, are and will be in furtherance of the purposes and within the power and authority of Debtor and (iv) do not and will not require any authorization of, notice to or other act by or relating to any Person (including, but not limited to, if Debtor is not an individual, any shareholder, member, director or manager of Debtor) that has not been duly obtained, given or done and is not in full force and effect.
- (b) **Location, State of Organization and Name of Debtor.**
Debtor's:
 - (i) chief executive office is located at the address in the state identified in the Schedule (the "Chief Executive Office State");
 - (ii) state of incorporation or organization is the state identified in the Schedule (the "Debtor State");
 - (iii) organizational number (if any) and entity type are identified in the Schedule; and
 - (iv) exact legal name is as set forth in the first paragraph of this Agreement.
- (c) **Title to and Transfer of Collateral.** It has rights in or the power to transfer the Collateral and its title to the Collateral is free of all adverse claims, liens, security interests and restrictions on transfer or pledge except as created by this Agreement or for any Permitted Lien.
- (d) **Location of Collateral.** All of the Collateral consisting of Goods, including Inventory, Equipment and Fixtures, is located solely at the locations listed in the Schedule.
- (e) **Fixtures.** The name and address of each record owner of real estate where any of the Collateral consisting of Fixtures is located are identified in the Schedule.
- (f) **Genuineness.** Each Account, Chattel Paper, Instrument, Document, Deposit Account, General Intangible and item of Investment Property included in the Collateral is or, if not now existing, will be genuine, in all respects what it purports to be and enforceable in accordance with its terms

against each Person obligated with respect thereto, subject to no demand, claim, counterclaim, setoff or defense.

- (g) *Other Collateral.* The Schedule contains a complete and accurate description of all Chattel Paper, Instruments, Investment Property, Deposit Accounts, Letter-of-Credit Rights, Commercial Tort Claims and Supporting Obligations, and all General Intangibles consisting of patents, trademarks and copyrights, included in the Collateral.
- (h) *Other Information.* All other information provided in the Schedule is complete and accurate in all respects.

6. **Costs.**

Debtor will pay to Secured Party on demand all costs incurred by Secured Party for the purpose of enforcing any of its rights or Debtor's obligations hereunder, including:

- (a) costs relating to the perfection or protection of the security interest granted herein or to the performance by Secured Party, at its sole option, of any of Debtor's obligations hereunder that Debtor fails to timely pay or perform;
- (b) costs of foreclosure;
- (c) costs of obtaining money damages or other relief; and
- (d) the reasonable fees and disbursements of attorneys employed by Secured Party for any purpose related to this Agreement or the Obligations, including consultation, drafting documents, sending notices or instituting, prosecuting or defending litigation or other enforcement actions.

After any demand for the payment of any cost, Debtor will pay interest on the portion of the cost remaining unpaid due at an annual rate equal to the lesser of (i) 5% above the highest domestic prime rate published in The Wall Street Journal (if no longer published, then a similar publication designated by Secured Party) from time to time or (ii) the highest rate permitted by applicable law.

7. **Remedies Upon Default.**

- (a) *General.* Upon or after the occurrence of any Event of Default, Secured Party may pursue any remedy available at law (including those available under the provisions of the UCC) or in equity to collect, enforce or satisfy any of the Obligations then owing, whether by acceleration or otherwise.
- (b) *Concurrent Remedies.* Without limiting the generality of Section 7(a) hereof, upon or after the occurrence of any Event of Default, Secured Party has the right to pursue any of the following remedies separately, successively or concurrently:
 - (i) To declare all or any portion of the Obligations remaining unpaid to be immediately due.
 - (ii) To file suit and obtain judgment and, in conjunction with any action, Secured Party may seek any ancillary remedies available under applicable law, including levy of attachment and garnishment.
 - (iii) To enforce Debtor's rights against Account Debtors and Obligors and to instruct such Persons to pay all amounts owing by them directly to Secured Party.
 - (iv) To take possession of any of the Collateral if not already in its possession without demand and without legal process, and Debtor grants to Secured Party the right, for this purpose, to enter into or on any premises where any of the Collateral may be located and, upon Secured Party's demand, Debtor will assemble and make the Collateral available to Secured Party as it directs.

- (v) With or without taking possession, to sell, lease or otherwise dispose of the Collateral at public or private sale in accordance with the UCC.
- (c) *Power of Attorney.* Debtor irrevocably and unconditionally appoints Secured Party as the attorney-in-fact of Debtor, with full power of substitution and revocation, to take, at the sole option of Secured Party, in the name and on behalf of Debtor or otherwise, upon or after the occurrence of any Event of Default, each action relating to any of the Collateral that Debtor could take. The power of attorney given pursuant to the preceding sentence is coupled with an interest in favor of Secured Party and, if Debtor is an individual, will not be terminated or otherwise affected by the death, disability or incompetence of Debtor.

8. **Foreclosure Procedures.**

- (a) *No Waiver.* No delay or omission by Secured Party to exercise any right or remedy accruing upon any Event of Default will: (i) impair any right or remedy, (ii) waive or operate as an acquiescence to the Event of Default or any other default, or (iii) affect any subsequent Event of Default or other default of the same or of a different nature.
- (b) *Condition of Collateral.* Secured Party has no obligation to clean-up or otherwise prepare the Collateral for sale, lease or other disposition.
- (c) *No Obligation to Pursue Others.* Secured Party has no obligation to attempt to satisfy the Obligations by collecting them from any other Person liable for them and Secured Party may release, modify or waive any of the Collateral or any collateral provided by any Third Party to secure any of the Obligations, all without affecting Secured Party's rights against Debtor. Debtor waives any right it may have to require Secured Party to pursue any Third Party for any of the Obligations.
- (d) *Compliance With Laws.* Secured Party may comply with any requirements under applicable law in connection with any disposition of the Collateral. Secured Party's compliance with one permitted method of disposition over another permitted method under applicable law will not be considered to adversely affect the commercial reasonableness of any disposition of the Collateral.
- (e) *Warranties.* Secured Party may sell, lease or otherwise dispose of the Collateral without giving any warranties as to the Collateral. Secured Party may specifically disclaim any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of any sale, lease or other disposition of the Collateral.
- (f) *Sales on Credit.* If Secured Party sells any of the Collateral upon credit, Debtor will be credited (to the extent entitled) only with payments actually made by the purchaser, received by Secured Party and applied to the indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, Secured Party may resell the Collateral.
- (g) *Purchases by Secured Party.* In the event Secured Party purchases any of the Collateral being sold, Secured Party may pay for the Collateral by crediting all or any portion of the Obligations.
- (h) *No Marshalling.* Secured Party has no obligation to marshal any assets in favor of Debtor or against or in payment of (i) the Obligations or any portion thereof or (ii) any other obligations owed to Secured Party by any other Person.

9. **Certain Consents And Waivers.**

- (a) *Consents.* Except to the extent expressly provided in this Agreement, this Agreement will not be modified or terminated, no obligation of Debtor under this Agreement and no right or remedy of Secured Party under this Agreement will be impaired or otherwise adversely affected, and no such right or remedy will be waived, by any act, omission or other thing. Debtor consents, without any notice, to each act, omission and other thing that would or might, but for such consent, modify or terminate this Agreement, impair or otherwise adversely affect any such obligation, right or remedy

or operate as a waiver of any such right or remedy. Without limiting the generality of the preceding two sentences, this Agreement will not be modified or terminated by, no such obligation, right or remedy will be impaired or otherwise adversely affected by, no such right or remedy will be waived by, and such consent will apply to (i) any direct or indirect extension, renewal, refinancing or other modification or replacement of, or any assignment or other transfer, compromise, cancellation, discharge, invalidity, impairment, unenforceability or change in any term or condition of, defense with respect to or grant of any participation in, any of the Obligations or any other obligation of Debtor or any Third Party or other Person, (ii) any taking, increase or decrease in value, impairment or release of, collection or sale, lease or other disposition of or other realization upon or failure or delaying to call for, take any property as, hold, preserve, protect, insure or collect, sell, lease or otherwise dispose of or otherwise realize upon any of the Collateral or (iii) any failure or delaying to perfect, keep perfected or maintain the priority of any security interest in any of the Collateral.

- (b) *Waivers.* Debtor waives, without any notice, each act and other thing upon which, but for such waiver, any obligation of Debtor under this Agreement or any right or remedy of Secured Party under this Agreement or arising or accruing as a result of this Agreement would or might be conditioned. Without limiting the generality of the preceding sentence, no such obligation, right or remedy will be conditioned upon, and such waiver will apply to (i) the acceptance of this Agreement by Secured Party, (ii) any demand upon or presentment or protest to Debtor or any Third Party or other Person or (iii) any exercise of any right or remedy of Secured Party or any other Person relating to any of the Obligations or any of the Collateral or against Debtor or any Third Party or other Person.

10. **General.**

- (a) *Cumulative Effect.* All rights and remedies of Secured Party under this Agreement are cumulative and no such right or remedy is exclusive of any other such right or remedy. This Agreement does not modify or terminate any other agreement, instrument or other document binding upon Debtor or any Third Party or other Person in favor of Secured Party.
- (b) *Liability.* If more than one Person executes this Agreement, (i) each of them will be jointly and severally liable pursuant to this Agreement and (ii) this Agreement will be construed, interpreted and enforced, whether in any action or other legal proceeding or otherwise, as to each of them as though each of them had executed and delivered to Secured Party a separate agreement identical to this Agreement.
- (c) *Notices.* All notices, consents, approvals, statements, authorizations, documents, or other communications (collectively "notices") required or permitted to be given hereunder will be in writing, and will be delivered personally, by prepaid nationally recognized overnight courier, by email, or by registered mail, postage prepaid, to the parties at their respective addresses set forth below:

To the Secured Party: Henry Horkoff
Steamoji America Services Inc.
16630 Redmond Way,
Redmond, Washington
98052
Telephone: (425) 276-7968
Email: hank.horkoff@steamoji.com

With a Copy to: George J. Eydt
Hodgson Russ LLP
150 King St. West
P.O. Box 30, Suite 2309
Toronto, Ontario M5H 1J9 Canada
Telephone: (416) 595-2671
Email: geydt@hodgsonruss.com

To Debtor: PREMISES
Telephone:
TO BE DETERMINED
Email:
TO BE DETERMINED

Or at any such other address or addresses as may be given by any of them to the other in writing from time to time. Such notices, if mailed, will be deemed to have been given on the fifth business day following such mailing, or, if delivered by facsimile telephone transmission or email on a business day prior to 5:00 p.m. recipient's local time, will be deemed to have been given on the day delivered, or, if delivered after that time or on a day other than a business day, will be deemed to have been given on the next business day, or, if delivered by courier, will be deemed to have been given on the day delivered, if delivered personally, will be deemed to have been given on the day delivered, if a business day, or if not a business day, on the next business day following the day delivered; provided that if such notice will have been mailed and if regular mail service will be interrupted by strike or other irregularity before the deemed receipt of such Notice, as aforesaid, then such Notice will not be effective unless delivered.

If there are multiple Debtors, service on one Debtor will constitute valid notice to all. If the Debtor is no longer occupying the Premises, the Secured Party may send notice to the last known address of the Debtor or any of its owners.

- (d) *No Assignments by Debtor.* Secured Party does not consent to any assignment by Debtor of, and Debtor will not assign, any of Debtor's rights, interests or obligations under this Agreement.
- (e) *Secured Party Assignments.* Secured Party may assign any of its rights, interests and obligations under this Agreement. If an assignment is made, Debtor will render performance under this Agreement to the assignee. Debtor waives and will not assert against any assignee any claim, defense or setoff that Debtor could assert against Secured Party except defenses that cannot be waived.
- (f) *Severability.* If any provision of this Agreement is found to be void, invalid or unenforceable by a court of competent jurisdiction, that finding will only affect the provisions found to be void, invalid or unenforceable and will not affect the remaining provisions of this Agreement.
- (g) *Binding Effect.* This Agreement binds Debtor, all other Persons who or that become bound as a debtor hereto and the legal representatives, successors and assigns of Debtor and all other such Persons and inures to the benefit of and is enforceable by Secured Party and the legal representatives, successors and assigns of Secured Party.
- (h) *Headings.* Section headings used in this Agreement are for convenience only. They are not a part of this Agreement and will not be used in construing it.
- (i) *Governing Law.* This Agreement is governed by and will be construed, interpreted and enforced in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws, except to the extent that the UCC provides for the application of the law of the Debtor State or the Chief Executive Office State or any other jurisdiction.
- (j) *Rules of Construction.*
 - (i) No reference to "Proceeds" in this Agreement authorizes any sale, transfer or other disposition of the Collateral by Debtor.
 - (ii) "Includes" and "including" are not limiting.
 - (iii) "Or" is not exclusive.

- (iv) "All" includes "any" and "any" includes "all".
- (v) Any gender includes any other gender, as the context may require.
- (vi) The terms "hereof", "herein", "hereunder" and similar terms refer to this Agreement and not to any particular provision of it.
- (k) Integration and Modifications.
 - (i) This Agreement is the entire agreement of Debtor and Secured Party concerning its subject matter.
 - (ii) Any modification to this Agreement must be made in writing and signed by Debtor and Secured Party.
- (l) *Termination.* This Agreement will remain in full force and effect until and will terminate only upon (i) the final and indefeasible payment and performance in full of the Obligations and (ii) there no longer being in force or effect any loan, sublease, franchise or other agreement, any promissory note or other instrument or any credit commitment or other financial accommodation under which any of the Obligations have arisen or may arise.
- (m) *Further Assurances.* Debtor agrees to execute any further documents, and to take any further actions, reasonably requested by Secured Party to evidence, perfect or protect the security interest granted herein or to effectuate the rights granted to Secured Party herein.
- (n) **CONSENT TO JURISDICTION. DEBTOR CONSENTS IN EACH ACTION OR OTHER LEGAL PROCEEDING COMMENCED BY SECURED PARTY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE OBLIGATIONS TO THE NONEXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN THE STATE OF DELAWARE; WAIVES PERSONAL SERVICE OF PROCESS; AND AGREES THAT SERVICE OF PROCESS MAY BE EFFECTED BY SECURED PARTY BY REGISTERED MAIL TO DEBTOR AT THE ADDRESS SET FORTH AT THE BEGINNING OF THIS AGREEMENT (OR SUCH OTHER ADDRESS AS TO WHICH DEBTOR HAS GIVEN SECURED PARTY NOTICE IN ACCORDANCE WITH SECTION 10(C) HEREOF) OR IN ANY MANNER ALLOWED BY THE STATE OF DELAWARE OR THE FEDERAL LAWS OF THE UNITED STATES. DEBTOR WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUCH ACTION OR OTHER LEGAL PROCEEDING.**

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

- (o) **WAIVER OF TRIAL BY JURY.** DEBTOR WAIVES EACH RIGHT DEBTOR MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION OR OTHER LEGAL PROCEEDING, WHETHER BASED ON ANY CONTRACT OR NEGLIGENCE, INTENTIONAL OR OTHER TORT OR OTHERWISE, ARISING OUT OF OR OTHERWISE RELATING TO THIS AGREEMENT, ANY OF THE OBLIGATIONS OR ANY OF THE COLLATERAL.

Debtor: _____

By: _____

Authorized Signatory

Name: _____

Title: _____

Secured Party:

STEAMOJI AMERICA SERVICES INC.

By: _____

Authorized Signatory

Name: _____

Title: _____

SCHEDULE

1. Debtor's Chief Executive Office.

2. Debtor's State of Organization and Organizational Identification Number.

_____ (State)

_____ (Organizational ID#) or ☐ None

3. Type of Legal Entity.

☐

Corporation

☐

Limited Partnership

☐

General Partnership

☐

Other as indicated _____

☐

Limited Liability Company

4. Locations During Last 5 Years of Collateral Consisting of Goods, including Inventory, Equipment and Fixtures. (attach separate sheet for additional locations)

<u>Address</u>	<u>Type of Location</u> (Check One Box)	<u>Name and</u> <u>Address of</u> <u>Landlord, Bailee</u> <u>or</u> <u>Warehouseman*</u>	<u>Name and</u> <u>Address of</u> <u>Record Owner</u> <u>of Real Estate</u> <u>if different than</u> <u>Landlord*</u>
1.	<input type="checkbox"/> Debtor owned <input type="checkbox"/> Leased <input type="checkbox"/> Bailee or Warehouse <input type="checkbox"/> Prior, no longer used		

*information not necessary for locations designated as Prior, no longer used

5. Description of Chattel Paper, Instruments, Investment Property, Deposit Accounts, Letter-of-Credit Rights, Commercial Tort Claims and Supporting Obligations included in the Collateral.

6. Description of General Intangibles included in the Collateral consisting of patents, trademarks or copyrights.

7. Permitted Liens.

(a) Any purchase money security interest hereafter granted by Debtor in property acquired by Debtor to secure:

- (i) payment of not more than 75% of the purchase price of the property; or
- (ii) repayment of funding giving to Debtor by any Person and applied by Debtor to enable Debtor to acquire the property, provided that the funding does not exceed 75% of the purchase price of the property;

and any replacement, extension or renewal thereof is the amount secured thereby (including interest) at the time of such replacement, extension or renewal is not increased and the property subject to thereto remains the same property.

(b) No other "Permitted Liens" unless described here.

8. Additional Covenants.

- (a) Without the prior written consent of Secured Party, Debtor will not lend money to, guarantee the debts or obligations of or invest money in any Person, whether on an arm's length basis or otherwise and whether by means of any loan, acquisition of shares, acquisition of debt or otherwise.
- (b) Without the prior written consent of Secured Party, Debtor will not permit any direct or indirect change in the ownership interests or voting control of Debtor.

SCHEDULE "D"

SAMPLE CONDITIONAL ASSIGNMENT OF LEASE

SAMPLE CONDITIONAL ASSIGNMENT OF LEASE

This Conditional Assignment of Lease made this _____ day of _____, 20__.

AMONG:

☐

("Licensor")

AND:

☐

("Licensee")

AND:

☐

(the "Landlord")

WHEREAS:

- A. The Licensee is a licensee of Licensor with license to operate a _____ (the "Licensed Business") at _____ (the "Leased Premises") under a license agreement (the "License agreement") dated ___, 20__ ;
- B. The Landlord and the Licensee have entered into a lease agreement (the "Lease") with respect to the Leased Premises dated ___, 20__ ;
- C. The Licensor may want the Licensed Business to remain open even though the License agreement may expire or otherwise be terminated or even though the Landlord may be in a position to terminate the Lease because of default of the Licensee;
- D. The parties acknowledge that this Conditional Assignment of Lease amends the Lease.

ACCORDINGLY, THE PARTIES, IN CONSIDERATION of the Licensor entering into the License agreement and the Licensee and the Landlord entering into the Lease and the mutual covenants and agreements herein contained and the sum of _____ (\$_____) and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Landlord and the Licensee, agree as follows:

- 1. This Conditional Assignment of Lease forms part of the Lease. This Conditional Assignment of Lease amends the Lease and notwithstanding the provisions contained in the Lease, to the extent that there is a conflict between the provisions of this Conditional Assignment of Lease and the provisions of the Lease, this Conditional Assignment of Lease shall govern.
- 2. The Landlord agrees with Licensor and the Licensee that if the Licensee fails to pay the Landlord rent or additional rent or any other monies payable under the Lease when due or if the Licensee defaults in any of its obligations, agreements or provisions contained in the Lease (a "Default"), the Landlord will give Licensor and the Licensee notice in writing of the details of the Default (the "Default Notice").
- 3. The Landlord will not terminate the Lease as a result of the Default until the Licensee and Licensor have received the Default Notice and until such time to remedy the Default as set out in the Lease (the

"Cure Period") has expired and the Default has not been remedied. If there is no Cure Period set out in the Lease the Cure Period will be fifteen (15) days after the day on which the Default Notice is received by the Licensee and Licensors, whichever is later.

4. Provided that if such Default arises by reason of the bankruptcy or insolvency of the Licensee or the appointment of a receiver over the Licensee's assets or part thereof, the Licensors shall have the right at its option to assume the Lease by giving notice to the Landlord, and the provisions of section 8 hereof shall apply with necessary modifications, provided that the Licensors shall pay any arrears of rent to the date of the assumption. In the event of such assumption, the Licensee shall cease to have any further rights under the Lease, and the Licensee, to the fullest extent permitted by law, hereby expressly waives for itself and any trustee in bankruptcy, any rights it may have under the commercial tenancy legislation, bankruptcy or insolvency laws or any other applicable legislation to retain the unexpired term of the Lease or to obtain any right to enter into any new lease or other agreement in the event of any bankruptcy or insolvency of the Licensee.
5. If the Licensee does not remedy the Default within the Cure Period, the Licensors, at its option, will have the right, but will not be obligated, to pay any rent owing under the Lease and to do anything required in order to remedy, or diligently proceed to remedy the Default, and the Landlord will accept such performance by Licensors. The Landlord will not terminate the Lease while Licensors is diligently proceeding to remedy the Default.
6. If the Licensee does not remedy the Default within the Cure Period, and Licensors remedies the Default, the Licensee must reimburse Licensors for any costs and expenses, including reasonable attorney fees, which Licensors has incurred in remedying the Default. All those costs and expenses are payable by the Licensee to Licensors on demand.
7. The parties hereto acknowledge that the Lease contains certain rights of renewal. In the event the Licensee fails to exercise the rights of renewal within the time periods set forth within the Lease, the Landlord shall provide written notice to the Licensors of such failure by the Licensee and the Licensors shall have a further fifteen (15) days to exercise the rights of renewal for and on its own behalf, and the Licensors shall be entitled to assume the Lease for such renewal period(s) upon notice to the Landlord and otherwise in the manner described in this Conditional Assignment of Lease.
8. In any of the following events, and at the option (the "Assignment Option") of Licensors, the Licensee will be deemed to have assigned to Licensors all of the Licensee's right, title, and interest in the Lease in consideration of the sum of one dollar (\$1.00), and the Landlord shall accept and hereby consents to that assignment:
 - (a) If the Licensee refuses or fails to remedy the Default within the Cure Period and Licensors remedies or diligently proceeds to remedy the Default;
 - (b) If the Default is incapable of being cured by doing of any act or the paying of any monies (such as for example purposes only, bankruptcy of the Licensee), then if the Licensors pays to the Landlord all monies outstanding under the Lease as at the date of the Default;
 - (c) If the License agreement shall have been terminated by Licensors by reason of the Licensee's breach of the License agreement;
 - (d) If the Licensee shall have had an option to renew the Lease or the License agreement for an additional term, but shall have failed to renew or elected not to do so, within the time specified for renewal; or
 - (e) If the Licensee, without first obtaining the written approval of the Licensors, sells the Licensed Business conducted at the Leased Premises.
9. Only the Licensors may exercise the Assignment Option by giving prior written notice to the Licensee and the Landlord of the exercise of the Assignment Option. The parties acknowledge that the Landlord may rely upon such notice and shall not be required to inquire into the due execution of such notice or

the accuracy of the statements set forth in such notice. Such notice shall be effective upon the date of delivery to the Landlord. Upon the exercise of the Assignment Option by the Licensor, the Licensee shall no longer be entitled to use or occupy the Leased Premises and all of the Licensee's rights in and to the Lease shall be terminated and shall be assigned to the Licensor without the need for the Licensee, Licensor, or the Landlord to sign or deliver any further agreement or consent.

10. Upon exercise of the Assignment Option, the Licensee will forthwith vacate the Leased Premises. The Licensee shall under no circumstances be entitled to remove its equipment, trade fixtures, and fixtures from the Leased Premises, unless it shall have reimbursed the Licensor, as set out in section 6 hereof, for all costs and expenses incurred by the Licensor in remedying or diligently proceeding to remedy the Default.
11. The Licensor, as and from the date of the assignment of the Lease to it, shall thereupon assume all of the Licensee's obligations under the Lease.
12. The Licensee further covenants and agrees that under no circumstances will it assert any claim or cause of action against the Landlord as a result of the Landlord's reliance on, or compliance with, the terms of this Conditional Assignment of Lease nor shall it assert any claim or cause of action against the Licensor as a result of the Licensor's exercise of its rights under this Conditional Assignment of Lease.
13. In the event of the Licensee's failure or refusal to vacate the Leased Premises, the Licensor is hereby specifically authorized to enter upon the Leased Premises, and remove the Licensee and the Licensee's property, without liability, from the Leased Premises by force, summary proceedings or otherwise.
14. The Licensor shall have the right to assign the Lease to a new licensee or licensee, upon providing prior notice to the Landlord. Such assignment may at the option of the Licensor contain a conditional assignment in favor of the Licensor substantially upon the same terms and conditions as are contained in this Conditional Assignment of Lease. Any assignee must take the leasehold estate subject to all of the provisions of the Lease and must assume and perform all of the obligations of the Licensee under the Lease. Such assignee will execute all further documents as the Landlord may reasonably require in this regard. Upon this further assignment of the Lease by the Licensor, the Licensor shall be relieved from performance of any and all of its obligations, covenants, and agreements to be performed under the Lease.
15. The Landlord acknowledges that the License agreement may contain a right on the part of the Licensor, in the event of expiration or termination of the License agreement for any reason whatsoever, to enter the Leased Premises and to make any alterations thereto required by the License agreement and the Landlord hereby agrees to permit entry by the Licensor for such purposes and the Landlord further acknowledges that such re-entry by the Licensor shall not constitute an assignment of this Lease nor a subletting of the Leased Premises nor shall the Landlord (or the Licensee) take any action against the Licensor in respect of or as a result of such re-entry.
16. The Landlord acknowledges that the Licensor is executing this Conditional Assignment of Lease solely for the purposes of acknowledging the provisions set forth herein and agrees that such execution by the Licensor shall in no way be construed as to obligate the Licensor for the performance of any of the terms, conditions and covenants contained in the Lease except where the Licensor has assumed responsibility for the Lease upon notice as provided in sections 8 and 11 hereof.
17. The Licensee shall not assign the Lease in whole or in part, nor sublet or part with, or share the possession of all or part of the Leased Premises, or mortgage or encumber the Lease or the Licensee's interest therein, without the prior written consent of the Licensor and such consent may be arbitrarily or unreasonably withheld.
18. If the Licensee is a corporation, any transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription from time to time of all or any part of the

registered or beneficial ownership of the shares of the Licensee which results in any change from the date hereof in the effective voting control of the Licensee, shall be deemed to be an assignment for the purposes of this Conditional Assignment of Lease.

19. Notwithstanding sections 17 and 18 hereof, the Licenser shall not unreasonably withhold its consent to an assignment of the Lease or subletting of the Leased Premises where same has been approved by the Licenser in accordance with the terms of the License agreement and the following considerations have been satisfied:
 - (a) the consent of the Landlord to such assignment, subletting, parting with possession, mortgaging or charging is first obtained (if required under the Lease);
 - (b) the proposed assignee, subtenant, occupant, mortgagee or chargee shall agree with the Licenser:
 1. that its rights under this Lease with respect to the Leased Premises shall be limited to the use described in the License agreement;
 2. that it will perform and observe all of the covenants and conditions contained on the part of the Licensee under the Lease (as amended by this Conditional Assignment of Lease);
 3. that if the proposed assignee, subtenant, occupant, mortgagee or chargee is a corporation, each of its shareholders shall guarantee the performance and observance of the covenants and conditions assumed by the proposed assignee, subtenant, occupant, mortgagee, or chargee under this Conditional Assignment of Lease and the Lease;
 - (c) the proposed assignee, subtenant, occupant, mortgagee or chargee shall have entered into a license agreement with the Licenser; and
 - (d) the Licensee shall have paid all of the Licenser's costs and expenses (legal or otherwise) in processing such consent.
20. Notwithstanding any such assignment, subletting or parting with possession, the Licensee shall remain liable for the performance of all the obligations on the part of the Licensee under the Lease.
21. If the Licensee attempts to assign the Lease or sublet, share possession, mortgage or encumber all or part of the Leased Premises without first having obtained the consent of the Landlord and the Licenser as aforesaid, such assignment, subletting, sharing of possession, mortgaging or encumbering shall not be effective and the Licensee's rights under the Lease shall, at the option of the Licenser, be transferred and assigned to the Licenser and the provisions of section 8 hereof shall apply with necessary modifications.
22. The parties hereto acknowledge that the Licenser's rights hereunder may be assigned or transferred without consent of either the Licensee or the Landlord.
23. The parties hereto acknowledge that pursuant to the terms of the License agreement the Licenser has a security interest in the trade fixtures, inventories and chattels on the Leased Premises. The Landlord hereby waives in favor of the Licenser any rights of distress it may now or hereafter have against such property.
24. Within ten (10) days after written request from the Licenser, the Licensee will deliver to the Licenser on a form supplied by the Licenser, a status statement or certificate to any proposed mortgagee, purchaser or other disposee of part or all of the Licenser's business confirming the status of the Lease and any other information or statement that a proposed mortgagee, purchaser or disposee may reasonably require.

25. The Licensee agrees that the Landlord may, upon the written request of the Licensor, disclose to the Licensor all reports, information or data in the Landlord's possession respecting sales made in, upon or from the Leased Premises.
26. Each party will from time to time and upon the reasonable request of the other party, execute, make, or cause to be made all such further acts, deeds, assurances, certificates or things as may be required to more effectively implement the true intent of the provisions set forth above.
27. Any notice to be given to the Landlord, to the Licensor, or the Licensee shall be delivered by personal delivery, courier, hand delivery or mailed in prepaid registered envelope or faxed addressed as follows:

To the Landlord:

Attention:

To the Licensee:

To the Licensor:

Attention:

Any of the parties hereto may from time to time notify the others in accordance with the provisions hereof of any change of address which thereafter shall be the address of such party for all purposes of this Conditional Assignment of Lease.

28. This Conditional Assignment of Lease may not be modified other than by an agreement in writing signed by the parties hereto or their respective successors in interest.
29. This Conditional Assignment of Lease will enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
30. A waiver by any of the parties hereto of the strict performance by the others of any covenant, condition, or stipulation hereunder shall not constitute a waiver of any subsequent breach of such covenant, condition, or stipulation or of any other covenant, condition, or stipulation contained herein.
31. If any term or condition of this Conditional Assignment of Lease is determined or found to be illegal, invalid, or unenforceable, it shall be deemed to be severable from the remainder of this Conditional Assignment of Lease which shall continue in full force and effect.
32. This Conditional Assignment of Lease shall be governed by and construed in accordance with the laws of the jurisdiction or territory in which the Leased Premises are located. **THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY, EXCEPT WHERE WAIVER IS PROHIBITED BY APPLICABLE FEDERAL OR STATE LAW.**

IN WITNESS whereof the parties hereto have executed this Conditional Assignment of Lease as of the day and year first above written.

LICENSEE:

Signature

Date

LANDLORD:

Per: _____ c/s

Per: _____

LICENSOR:

Per: _____ c/s

Per: _____

SIGNED, SEALED and DELIVERED by
«Principal_1_General_Manager» ("INDEMNIFIER") in
the
presence of:

Signature of
Witness

Address

Occupation

«Principal_1_General_Manager»

EXHIBIT C-1
Non-Disclosure Agreement (Individual)

NONDISCLOSURE AGREEMENT

The undersigned recipient, _____, (the “Recipient”) chooses to hold discussions with Steamoji America Services, Inc. (“Provider”).

To enable this, it is necessary and desirable that Provider disclose to Recipient certain Confidential Information (defined below).

The term “Confidential Information” will mean confidential knowledge, data or any other proprietary information of Provider that is treated as confidential by Provider. By way of illustration but not limitation, “Confidential Information” includes ideas, know-how, processes, designs and plans, trade secrets, manuals, documents, software (including source code, object code, design documents, database architecture and other software elements) other works of authorship, inventions, non-public information regarding patents, or patentable subject matter, business plans and operating strategies, unpublished financial information, and other matters and materials related to the discussions, such as the identities and skill sets of the Provider’s employees and contractors, and contractual relationships with third parties.

Any Confidential Information received by Recipient in the course of Recipient’s discussions with Provider will be held confidential by Recipient, and will not be used by Recipient without the prior written consent of Provider.

Notwithstanding the foregoing, “Confidential Information” does not include information which (a) is now, or hereafter becomes, through no act of failure to act on the part of the Recipient, generally known or available; (b) is known by Recipient at the time of receiving such information, as evidenced by its records; or (c) is hereafter furnished to Recipient by a third party, as a matter of right and without restriction on disclosure.

This Agreement will be effective as of this ____ day of _____, 20__ and will continue in full force and effect for five years thereafter.

Recipient

By (signature): _____

(printed name): _____

Title: _____

Provider hereby acknowledges the foregoing.

By (signature): _____

(printed name): _____

Title: _____

EXHIBIT C-2
Non-Disclosure Agreement (Business Entity)

NONDISCLOSURE AGREEMENT

The undersigned recipient, _____, (the “Recipient”) chooses to hold discussions (the “Discussions”) with Steamoji America Services, Inc. (“Provider”) for the purpose of evaluating a potential transaction between the Recipient and the Provider (the “Purpose”).

To enable this, it is necessary and desirable that Provider disclose to Recipient and its Representatives certain Confidential Information (defined below).

The term “Confidential Information” will mean confidential knowledge, data or any other proprietary information of Provider that is treated as confidential by Provider. By way of illustration but not limitation, “Confidential Information” includes ideas, know-how, processes, designs and plans, trade secrets, manuals, documents, software (including source code, object code, design documents, database architecture and other software elements) other works of authorship, inventions, non-public information regarding patents, or patentable subject matter, business plans and operating strategies, unpublished financial information, and other matters and materials related to the discussions, such as the identities and skill sets of the Provider’s employees and contractors, and contractual relationships with third parties.

The term “Representatives” will mean the Recipient’s directors, officers, employees, agents and advisors.

Any Confidential Information received by Recipient and its Representatives in the course of Recipient’s Discussions with Provider will be held confidential by Recipient and its Representatives, and will not be used by Recipient or its Representatives other than for the Purpose without the prior written consent of Provider.

Notwithstanding the foregoing, “Confidential Information” does not include information which (a) is now, or hereafter becomes, through no act of failure to act on the part of the Recipient or its Representatives, generally known or available; (b) is known by Recipient at the time of receiving such information, as evidenced by its records; (c) is hereafter furnished to Recipient by a third

party, as a matter of right and without restriction on disclosure; or (d) is independently developed by the Recipient without reference to any confidential information disclosed by the Provider pursuant to this Nondisclosure Agreement.

This Agreement will be effective as of this ____ day of _____, 20____ and will continue in full force and effect for [eighteen months] thereafter.

Recipient

[Recipient Company Name]

By (signature): _____

(printed name): _____

Title: _____

Provider hereby acknowledges the foregoing.

STEAMOJI AMERICA SERVICES, INC.

By (signature): _____

(printed name): _____

Title: _____

EXHIBIT D
Table of Contents for the Manual



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EXHIBIT E
Financial Statements

See attached.

IF INTERIM FINANCIALS STATEMENTS ARE ATTACHED IN ADDITION TO THE ANNUAL FINANCIAL STATEMENTS, PLEASE NOTE THAT THESE INTERIM FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE INTERIM STATEMENT FINANCIAL STATEMENTS OR EXPRESSED HIS/HER OPINION WITH REGARD TO THEIR CONTENT OR FORM. INTERIM FINANCIAL STATEMENTS ARE PREPARED IN ACCORDANCE WITH U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

STEAMOJI AMERICA SERVICES, INC.

FINANCIAL STATEMENTS

December 31, 2023



CPAs | ADVISORS

CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**

STEAMOJI AMERICA SERVICES, INC.

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INDEPENDENT AUDITOR'S REPORT

To: The Stockholder and Management
Steamoji America Services, Inc.

Opinion

We have audited the accompanying financial statements of **Steamoji America Services, Inc.** (a Delaware Corporation) (the "Company") which comprise the balance sheet as of December 31, 2023, and the related statements of operations, changes in stockholder's equity and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

In performing an audit in accordance with GAAS, we:

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

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

ABIP, PC

Houston, Texas
March 1, 2024

STEAMOJI AMERICA SERVICES, INC.

BALANCE SHEET

December 31, 2023

ASSETS

CURRENT ASSETS:

Cash	\$ 68,440
Accounts receivable	34

TOTAL CURRENT ASSETS

\$ 68,474

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 10,119
Contract liabilities	32,521
Demand note due to related party	58,106

TOTAL CURRENT LIABILITIES

100,746

STOCKHOLDER'S EQUITY:

Common stock, \$.00001 par value, 10,000,000 shares authorized, 1,000 shares issued and outstanding	-
Additional paid in capital	100
Retained earnings	(32,372)
Total stockholder's equity	(32,272)

TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY

\$ 68,474

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

STEAMOJI AMERICA SERVICES, INC.

STATEMENT OF OPERATIONS

For the year ended December 31, 2023

REVENUES

Franchise revenue	\$ 24,663
Licensing fees	2,479
Other revenues	<u>5,000</u>
Total revenues	32,142

EXPENSES

Advertising and marketing	32,366
Legal and professional fees	16,532
Other operating expenses	<u>11,402</u>
Total operating expenses	<u>60,300</u>

NET LOSS BEFORE INCOME TAXES (28,158)

INCOME TAXES (450)

NET LOSS \$ (28,608)

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

STEAMOJI AMERICA SERVICES, INC.

STATEMENT OF CHANGES IN STOCKHOLDER'S DEFICIT

For the year ended December 31, 2023

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Stockholder's Deficit
	Shares	Amount			
Balance, December 31, 2022	1,000	\$ -	\$ 100	\$ (3,764)	\$ (3,664)
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,608)</u>	<u>(28,608)</u>
Balance, December 31, 2023	<u><u>1,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 100</u></u>	<u><u>\$ (32,372)</u></u>	<u><u>\$ (32,272)</u></u>

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

STEAMOJI AMERICA SERVICES, INC.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (28,608)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	(24)
Accounts payable	10,119
Contract liabilities	32,521
	<hr/>
Net cash provided by operating activities	14,008

CASH FLOWS FROM FINANCING ACTIVITIES:

Payments on demand note due to related party	(13,751)
Proceeds from demand note due to related party	15,987
	<hr/>
Net cash provided by financing activities	2,236

NET INCREASE IN CASH AND CASH EQUIVALENTS 16,244

CASH, beginning of year

 52,196

CASH, end of year

 \$ 68,440

SUPPLEMENTAL CASH FLOW INFORMATION:

Cash paid for income taxes	<hr/> \$ 450 <hr/>
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The accompanying notes are an integral part of these financial statements.

STEAMOJI AMERICA SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(1) Summary of operations and significant accounting policies

Nature of operations

Steamoji America Services, Inc. (the “Company”) was incorporated on May 5, 2021, as a Delaware Corporation that franchises Steamoji Academy which offers science, technology, engineering, arts, and math (STEAM) classes to children between ages 6 to 15 using Steamoji teaching methodologies. The Company offers two types of franchise models: an ‘Academy’ and a ‘Studio’ model.

Management’s plan

As of December 31, 2023, the Company has two franchisees. The Company is in the process of developing and implementing a strategy to market and create awareness of its brand through franchise consultant groups and social media advertising.

As of March 1, 2024, the Company has full financial support of its stockholder to continue operations.

The franchise agreement is anticipated to provide for an initial franchise fee of \$40,000 for the academy model and \$15,000 for the studio model, initial software license fee of \$2,500 and royalty payments set at 8.0% of gross revenue subject to minimum performance obligations.

Basis of accounting

The Company maintains its accounts on the accrual method of accounting, in accordance with accounting principles generally accepted in the United States of America (“GAAP”) as codified by the Financial Accounting Standards Board (“FASB”) in its Accounting Standards Codification (“ASC”). Accounting principles and the methods of applying those principles that materially affect the determination of financial position, results of operations, and cash flows are summarized below.

Accounting standards recently adopted

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses. Financial assets held by the Partnership that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements. Actual results could differ from those estimates.

Cash

The Company maintains cash in demand deposit accounts with various financial institutions.

STEAMOJI AMERICA SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(1) Summary of operations and significant accounting policies (continued)

Accounts receivable

The allowance for credit losses is established as losses are estimated to have occurred through a provision for credit losses charged to earnings. The Company writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in other income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. The total amount of write-offs was immaterial to the financial statements as a whole for the year ended December 31, 2023. The evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. As of December 31, 2023, no allowance for credit losses has been established, as it is the Company's opinion that losses, if incurred, would not materially affect the financial statements.

Concentration of credit risk

The Company and its sole stockholder primarily invest excess cash in deposits with various banks, and at times, these deposits may exceed federally insured limits. The Company manages this risk by selecting depository institutions based, in part, upon its review of the financial stability of the institutions and by spreading deposits over various banks. In March 2023, one of the Company's banks, Silicon Valley Bank, failed and utilized support from the Federal Deposit Insurance Corporation ("FDIC"). The Company's deposits were fully insured by the FDIC at that time and has not experienced any losses on such accounts.

Franchise revenue

The Company executes franchise or license agreements that set the terms of its arrangement with each franchisee or licensee. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew its agreement upon its expiration. Direct costs of sales and servicing of franchise and license agreements are charged to expenses as incurred.

The Company is entitled to royalties and advertising fees based on a percentage of the franchisee's gross sales as defined in the franchise agreement. Royalty and advertising revenue are recognized when the franchisee's reported sales occur. In determining the amount and timing of revenue from contracts with customers, the Company exercises significant judgment with respect to collectability of the amount; however, the timing of recognition does not require significant judgments as it is based on either the franchise term, the month of reported sales by the franchisee or the date of product shipment, none of which require estimation. For the year ended December 31, 2023, royalty and advertising revenue amounted to about \$12,498 and \$3,717 respectively.

The franchise arrangement between the Company as the franchisor and the franchisee as the customer requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, and substantially all the utility is derived from its association with the Company's past or ongoing activities. The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

STEAMOJI AMERICA SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(1) Summary of operations and significant accounting policies (continued)

Franchise revenue (continued)

The transaction price in a standard franchise arrangement primarily consists of (a) continuing franchise fees (royalties); and (b) advertising fees. Since the Company considers the licensing of the franchising right to be a single performance obligation, no allocation of the transaction price is required.

In evaluating advertising activity under the guidance of ASC 606, the Company considers itself to be primarily responsible for fulfilling the promise to provide all the services specified in the contract, including advertising activities, which are not considered to be distinct services in the context of providing the right to the symbolic intellectual property. Accordingly, under ASC 606, the Company records advertising fees received under its franchise agreements as franchise revenue.

The Company does not incur a significant amount of contract acquisition costs in conducting its franchising activities. The Company believes its franchising arrangements do not contain a significant financing component.

Advertising

Advertising costs are expensed as incurred and amounted to \$32,366 for the year ended December 31, 2023.

Income tax

The Company accounts for income taxes by recognizing a deferred tax asset for deductible temporary differences including net operating loss and tax credit carryforwards, net of a valuation allowance, and recognizing a deferred tax liability for taxable temporary differences. Provisions for income taxes are based on taxes payable or refundable for the current year and deferred taxes on temporary differences between the amount of taxable income and pretax financial income, and between the tax bases of assets and liabilities and their reported amounts in the financial statements.

Deferred tax assets and liabilities are included in the financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. The Company had no provision for federal income taxes expense for the year ended December 31, 2023. Deferred tax assets include a full valuation allowance at December 31, 2023.

Management evaluated the Company's tax positions and concluded that the Company had no uncertain tax positions that require adjustment to the current year financial statements to comply with the provisions of this guidance. The Company's federal income tax returns from inception (May 5, 2021) and forward remain subject to examination by the Internal Revenue Service.

Subsequent events

The Company has evaluated all events or transactions that occurred after December 31, 2023 and through March 1, 2024, the date financial statements were available to be issued. No events have occurred that would have a material effect on the financial statements.

STEAMOJI AMERICA SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(2) Demand note due to related party

On December 21, 2021, the Company entered into a demand note with its stockholder. As of December 31, 2023, amounts due to the stockholder related to this note totaled \$58,106. The demand note is payable within 30 days of the stockholder providing written notice of demand and carries no interest rate. As the demand note has no fixed or determinable rate, the imputation of interest is not applicable, and interest expense related to this note has not been recorded.

In addition, certain expenditures were covered by the related party through common ownership. As a result, the Company had related party payables totaling \$4,596 as of December 31, 2023, included in accounts payable on the balance sheet.

STEAMOJI AMERICA SERVICES, INC.

FINANCIAL STATEMENTS

December 31, 2022



CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**

STEAMOJI AMERICA SERVICES, INC.

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INDEPENDENT AUDITOR'S REPORT

To: The Stockholder and Management
Steamoji America Services, Inc.

Opinion

We have audited the accompanying financial statements of **Steamoji America Services, Inc.** (a Delaware Corporation) (the "Company") which are comprised of the balance sheet as of December 31, 2022, and the related statements of operations, changes in stockholder's deficit and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

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

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

In performing an audit in accordance with GAAS, we:

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

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

ABIP, PC

Houston, Texas

April 15, 2023

STEAMOJI AMERICA SERVICES, INC.

BALANCE SHEET

December 31, 2022

ASSETS

CURRENT ASSETS:

Cash	\$ 52,196
Accounts receivable	<u>10</u>

TOTAL CURRENT ASSETS	<u>\$ 52,206</u>
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LIABILITIES AND STOCKHOLDER'S DEFICIT

DUE TO RELATED PARTY - CURRENT	<u>\$ 55,870</u>
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STOCKHOLDER'S DEFICIT:

Common stock, \$.00001 par value, 10,000,000 shares authorized, 1,000 shares issued and outstanding	-
Additional paid in capital	100
Accumulated deficit	<u>(3,764)</u>
Total stockholder's deficit	<u>(3,664)</u>

TOTAL LIABILITIES AND STOCKHOLDER'S DEFICIT	<u>\$ 52,206</u>
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The accompanying notes are an integral part of these financial statements.

STEAMOJI AMERICA SERVICES, INC.

STATEMENT OF OPERATIONS

For the year ended December 31, 2022

FRANCHISE REVENUE	\$ 2,294
EXPENSES	<u>5,558</u>
NET LOSS	<u><u>\$ (3,264)</u></u>

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

STEAMOJI AMERICA SERVICES, INC.

STATEMENT OF CHANGES IN STOCKHOLDER'S DEFICIT

For the year ended December 31, 2022

	<u>Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Stockholder's</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-In</u> <u>Capital</u>	<u>Deficit</u>	<u>Deficit</u>
Balance, December 31, 2021	1,000	\$ -	\$ 100	\$ (500)	\$ (400)
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,264)</u>	<u>(3,264)</u>
Balance, December 31, 2022	<u>1,000</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ (3,764)</u>	<u>\$ (3,664)</u>

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

STEAMOJI AMERICA SERVICES, INC.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (3,264)
Changes in operating assets and liabilities:	
Accounts receivable	(10)
Due to related party - current	<u>5,470</u>
Net cash provided by operating activities	2,196
CASH, beginning of year	<u>50,000</u>
CASH, end of year	<u><u>\$ 52,196</u></u>

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

STEAMOJI AMERICA SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

(1) Summary of operations and significant accounting policies

Nature of operations

Steamoji America Services, Inc. (the “Company”) was incorporated on May 5, 2021, as a Delaware Corporation that franchises Steamoji Academy which offers science, technology, engineering, arts, and math (STEAM) classes to children between ages 6 to 15 using Steamoji teaching methodologies. The Company offers two types of franchise models: an ‘Academy’ and a ‘Studio’ model.

Management’s plan

As of December 31, 2022, the Company has one franchisee. The Company is in the process of developing and implementing a strategy to market and create awareness of its brand through franchise consultant groups and social media advertising.

As of April 15, 2023, the Company has full financial support of its stockholder to continue operations.

The franchise agreement is anticipated to provide for an initial franchise fee of \$40,000 for the academy model and \$15,000 for the studio model, initial software license fee of \$2,500 and royalty payments set at 8.0% of gross revenue subject to minimum performance obligations.

Basis of accounting

The Company maintains its accounts on the accrual method of accounting, in accordance with accounting principles generally accepted in the United States of America (“GAAP”) as codified by the Financial Accounting Standards Board (“FASB”) in its Accounting Standards Codification (“ASC”). Accounting principles and the methods of applying those principles that materially affect the determination of financial position, results of operations, and cash flows are summarized below.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements. Actual results could differ from those estimates.

Cash

The Company maintains cash in demand deposit accounts with various financial institutions.

Accounts receivable

The Company maintains an allowance for potential credit losses based on management’s expectations of future losses in relation to the outstanding balance of accounts receivable. Accounts deemed uncollectible are applied against the allowance for doubtful accounts. As of December 31, 2022, management considered accounts receivable to be fully collectible; therefore, no allowance was necessary.

Concentration of credit risk

The Company and its sole stockholder primarily invest excess cash in deposits with various banks, and at times, these deposits may exceed federally insured limits. The Company manages this risk by selecting depository institutions based, in part, upon its review of the financial stability of the institutions and by spreading deposits over various banks. In March 2023, one of the Company’s banks, Silicon Valley Bank, failed and utilized support from the Federal Deposit Insurance Corporation (“FDIC”). The Company’s deposits were fully insured by the FDIC at that time and has not experienced any losses on such accounts.

STEAMOJI AMERICA SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

(1) Summary of operations and significant accounting policies (continued)

Franchise revenue

The Company executes franchise or license agreements that set the terms of its arrangement with each franchisee or licensee. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew its agreement upon its expiration. Direct costs of sales and servicing of franchise and license agreements are charged to general and administrative expenses as incurred.

The Company is entitled to royalties and advertising fees based on a percentage of the franchisee's gross sales as defined in the franchise agreement. Royalty and advertising revenue are recognized when the franchisee's reported sales occur. In determining the amount and timing of revenue from contracts with customers, the Company exercises significant judgment with respect to collectability of the amount; however, the timing of recognition does not require significant judgments as it is based on either the franchise term, the month of reported sales by the franchisee or the date of product shipment, none of which require estimation. For the year ended December 31, 2022, royalty and advertising revenue amounted to about \$1,799 and \$495, respectively.

The franchise arrangement between the Company as the franchisor and the franchisee as the customer requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, and substantially all the utility is derived from its association with the Company's past or ongoing activities. The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

The transaction price in a standard franchise arrangement primarily consists of (a) continuing franchise fees (royalties); and (b) advertising fees. Since the Company considers the licensing of the franchising right to be a single performance obligation, no allocation of the transaction price is required.

In evaluating advertising activity under the guidance of ASC 606, the Company considers itself to be primarily responsible for fulfilling the promise to provide all the services specified in the contract, including advertising activities, which are not considered to be distinct services in the context of providing the right to the symbolic intellectual property. Accordingly, under ASC 606, the Company records advertising fees received under its franchise agreements as franchise revenue.

The Company does not incur a significant amount of contract acquisition costs in conducting its franchising activities. The Company believes its franchising arrangements do not contain a significant financing component.

Income tax

The Company accounts for income taxes by recognizing a deferred tax asset for deductible temporary differences including net operating loss and tax credit carryforwards, net of a valuation allowance, and recognizing a deferred tax liability for taxable temporary differences. Provisions for income taxes are based on taxes payable or refundable for the current year and deferred taxes on temporary differences between the amount of taxable income and pretax financial income, and between the tax bases of assets and liabilities and their reported amounts in the financial statements.

STEAMOJI AMERICA SERVICES, INC.

FINANCIAL STATEMENTS

December 31, 2021



CPAs | ADVISORS

CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**

STEAMOJI AMERICA SERVICES, INC.

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INDEPENDENT AUDITOR'S REPORT

To: The Stockholder and Management
Steamoji America Services, Inc.

Opinion

We have audited the accompanying financial statements of **Steamoji America Services, Inc.** (a Delaware Corporation) (the "Company") which are comprised of the balance sheet as of December 31, 2021, and the related statements of operations, changes in stockholder's deficit and cash flows for the period from inception (May 5, 2021) through December 31, 2021, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the initial period from then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

ABIP, PC

Houston, Texas

February 28, 2022

STEAMOJI AMERICA SERVICES, INC.

BALANCE SHEET

December 31, 2021

ASSETS

CASH AND CASH EQUIVALENTS	\$ 50,000
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TOTAL CURRENT ASSETS	<u>\$ 50,000</u>
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LIABILITIES AND STOCKHOLDER'S DEFICIT

DUE TO RELATED PARTY - CURRENT	<u>\$ 50,400</u>
--------------------------------	------------------

STOCKHOLDER'S DEFICIT:

Common stock, \$.00001 par value, 10,000,000 shares authorized,
1,000 shares issued or outstanding

-

Additional paid in capital

100

Accumulated deficit

(500)

Total stockholder's deficit

(400)

TOTAL LIABILITIES AND STOCKHOLDER'S DEFICIT	<u>\$ 50,000</u>
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The accompanying notes are an integral part of these financial statements.

STEAMOJI AMERICA SERVICES, INC.

STATEMENT OF OPERATIONS

For the period from inception (May 5, 2021) through December 31, 2021

REVENUE	\$ -
EXPENSES	<u>500</u>
NET LOSS	<u><u>\$ (500)</u></u>

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

STEAMOJI AMERICA SERVICES, INC.

STATEMENT OF CHANGES IN STOCKHOLDER'S DEFICIT

For the period from inception (May 5, 2021) through December 31, 2021

	<u>Common Stock Shares</u>	<u>Common Stock Par Value</u>	<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Stockholder's Deficit</u>
Shares issued at inception, May 5, 2021	1,000	\$ -	\$ 100	\$ -	\$ 100
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>(500)</u>
Balance, December 31, 2021	<u><u>1,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 100</u></u>	<u><u>\$ (500)</u></u>	<u><u>\$ (400)</u></u>

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

STEAMOJI AMERICA SERVICES, INC.

STATEMENT OF CASH FLOWS

For the period from inception (May 5, 2021) through December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (500)
Changes in operating assets and liabilities:	
Due to related party - current	<u>50,400</u>
Net cash provided by operating activities	49,900

CASH FLOWS FROM FINANCING ACTIVITIES:

Issuance of common stock	<u>100</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	50,000
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CASH AND CASH EQUIVALENTS, inception	<u>-</u>
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CASH AND CASH EQUIVALENTS, end of period	<u><u>\$ 50,000</u></u>
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The accompanying notes are an integral part of these financial statements.

STEAMOJI AMERICA SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

(1) Summary of operations and significant accounting policies

Nature of operations and management's plans

Steamoji America Services, Inc. was incorporated on May 5, 2021, as a Delaware Corporation that franchises Steamoji Academy which offers science, technology, engineering, arts and math (STEAM) classes to children between ages 6 to 15 using Steamoji teaching methodologies. The Company offers two types of franchise models: an 'Academy' and a 'Studio' model.

During the period from inception (May 5, 2021) through December 31, 2021, the Company had no franchisees and has not earned revenue as a result of franchise purchases. The Company is in the process of developing and implementing a strategy to market and create awareness of its brand through franchise consultant groups and social media advertising.

As of February 28, 2022, the Company has no franchisees and has full financial support of its stockholder to continue operations.

Franchising program

The franchise agreement is anticipated to provide for an initial franchise fee of \$40,000 for the academy model and \$15,000 for the studio model, initial software license fee of \$2,500 and royalty payments set at 8.0% of gross revenue subject to minimum performance obligations.

Basis of accounting

The Company maintains its accounts on the accrual method of accounting, in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Accounting principles and the methods of applying those principles that materially affect the determination of financial position, results of operations, and cash flows are summarized below.

Cash and cash equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments and other similar short-term investments with an original maturity of three months or less to be cash equivalents.

Income tax

The Company accounts for income taxes by recognizing a deferred tax asset for deductible temporary differences including net operating loss and tax credit carryforwards, net of a valuation allowance, and recognizing a deferred tax liability for taxable temporary differences. Provisions for income taxes are based on taxes payable or refundable for the current year and deferred taxes on temporary differences between the amount of taxable income and pretax financial income, and between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. The Company had no provision for federal income taxes expense for the period from inception (May 5, 2021) through December 31, 2021.

Management evaluated the Company's tax positions and concluded that the Company had no uncertain tax positions that require adjustment to the current year financial statements to comply with the provisions of this guidance. The Company's federal income tax returns from inception forward remain subject to examination by the Internal Revenue Service.

STEAMOJI AMERICA SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

(1) Summary of operations and significant accounting policies (continued)

Subsequent events

The Company has evaluated all events or transactions that occurred after December 31, 2021 and through February 28, 2022, the date financial statements were available to be issued. no events have occurred that would have a material effect on the financial statements.

(2) Due to related party

On December 21, 2021, the Company entered into a demand note with its stockholder. As of December 31, 2021, amounts outstanding with this related party totaled \$50,000. The demand note is payable within 30 days of the stockholder providing written notice of demand. Due to the short term nature of the demand note, no interest expense is recorded. In addition, the stockholder has of a net advance totaling \$400 not included in the demand note.

(3) Contingencies

In March 2020, the World Health Organization declared the outbreak of a coronavirus ("COVID-19") as a pandemic. The Company cannot reasonably estimate the length or severity of this pandemic, which may result in a material adverse impact on its financial position, results of operations and cash flows in the near future. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report and likewise the full impact of the pandemic on the Company's financial condition and future results of operations is uncertain.

EXHIBIT F
State Specific Addenda

STATE SPECIFIC ADDENDA/AMENDMENTS

The following modifications are made to the Steamoji America Services, Inc. Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20__.

The following states have statutes that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise. The following is applicable to you only if you are covered by the franchise law of the referenced state: ARKANSAS [Stat. Section 70-807]; CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code tit. 6, Ch. 25, Sections 2551-2556], HAWAII [Rev.Stat. Section 482E-1], ILLINOIS [815 ILCS 705/1-44], INDIANA [Stat. Section 23-2-2.7 and 23-2-2.5], IOWA [Code Sections 523H.1-523H.17], MARYLAND [Maryland Franchise Registration and Disclosure Law, MD. CODE ANN., BUS. REG. Sections 14-201 to 14-233 (2010 Repl. Vol. and Supp. 2010)], MICHIGAN [Stat. Section 19.854 (27)], MINNESOTA [stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56.10-1], NORTH DAKOTA [N.D.C.C. Franchise Investment Law Section 51-19], RHODE ISLAND [Code 19-28.1-14], SOUTH DAKOTA [Codified Laws Section 37-5B], VIRGINIA [code §§ 13.1-557 through 13.1-574], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03].

These and other states may have court decisions that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise.

We reserve the right to challenge the application or enforceability of the Franchise Laws listed in this state specific Addenda/Amendments, the corresponding regulations, or any other laws not specified in the Franchise Agreement.

The following is applicable to you only if you are covered by the franchise law of the referenced state:

CALIFORNIA

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

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.

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.

The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisees is open for business. For any development agreement, the payment of the development and initial fee attributable to a specific unit is deferred until that unit is open.

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

The franchise agreement requires binding arbitration. The arbitration will occur in Seattle, Washington with costs being borne by franchisee.

Neither we nor any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

Section 31125 of the Franchise Investment Law requires us to give you a disclosure document, in a form containing the information that the Commissioner of Corporations may by rule or order require, before we ask you to consider a material modification of your existing Franchise Agreement.

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

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

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

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

The Franchise Agreement requires application of the laws of the State of New York. This provision may not be enforceable under California law.

The URL of our website is www.steamoji.com. OUR WEB SITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEB SITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue of a forum outside the State of California.

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

Section 14.25 of the Franchise Agreement shortens the statute of limitations. Pursuant to Corporations Code section 31512, this provision is void, to the extent that it is inconsistent with the provisions of Corporations Code sections 31303 and 31304.

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.

Section 5 of the Franchise Agreement is amended to provide that payment of all initial fees is postponed until after all of our obligations are complete and your Franchised Business is open for business

ACKNOWLEDGMENT AND AGREEMENT:

Each provision of the foregoing State Law Addenda will be effective only to the extent that the jurisdictional requirements of the California law applicable to the provision are met independent of the foregoing State Law Addenda. The foregoing State Law Addenda will have no force or effect if such jurisdictional requirements are not met. The foregoing State Law Addenda supersede any inconsistent provision in the Disclosure Document and the Franchise Agreement, but only to the extent necessary to make the Disclosure Document and the Franchise Agreement consistent with the then valid requirements of an applicable and enforceable state law and only for so long as such state law remains in effect.

This Acknowledgment and Agreement may be signed in counterparts and delivered via electronic means.

ACKNOWLEDGED AND AGREED as of _____, 20__.

STEAMOJI AMERICA SERVICES, INC.

FRANCHISEE:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ILLINOIS

Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside the State of Illinois may not be enforceable and is amended to the extent required by Illinois law.

The governing law or choice of law clause described in the Disclosure Document and contained in the Franchise Agreement may not be enforceable under Illinois law. This governing law clause will not be construed to negate the application of the Illinois Franchise Disclosure Act in all situations to which it is applicable.

Any provision in the Franchise Agreement that limits the continuing effectiveness of representations made by us in this Disclosure Document is amended to allow for the continued reliance by you on the accuracy of the statements and representations made by us in this Disclosure Document.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any law of Illinois is void. This will not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any provision of the Act, nor will it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code (Arbitration).

KANSAS

Section _____ of the Franchise Agreement states that you will indemnify and hold us harmless against any and all liabilities, losses, suits, claims, demands, costs, fines and actions of any kind or nature arising out of the operation of the franchised business. However, you are not required to indemnify us for claims resulting solely from our breach of this Agreement or other wrongs we commit. This provision may not be enforceable in Kansas unless separately negotiated and reasonable. By signing this Addendum, you hereby agree that you separately considered and had an opportunity to consult legal counsel concerning this indemnity, and that you consider it reasonable.

Section 12(a)(iii) of the Franchise Agreement requires that you name us as an additional named insured on certain insurance policies. This provision may not be enforceable in Kansas unless separately negotiated and reasonable. By signing this Addendum, you hereby agree that you separately considered and had an opportunity to consult legal counsel concerning this insurance clause, and that you consider it reasonable.

MARYLAND

Any provision of the Disclosure Document or in the Franchising Agreement requiring that you sign a general release as a condition of renewal, sale and assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law, to the extent required by this law.

Any representation requiring you to assent to a release, estoppel or waiver of liability are not intended to nor will they act as a release, estoppel or waiver of liability incurred under the Maryland Franchise Registration and Disclosure Law. The Franchise Agreement is amended accordingly to the extent required by law.

Any provision of the Disclosure Document or in the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

You may sue us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

All representations made in the Final Disclosure Questionnaire (Exhibit H) requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

MICHIGAN

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (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 Law. This will not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a franchise prior to the expiration of its term except for good cause. Good cause will 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 30 days, to cure such failure.
- (d) A provision that permits us 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 us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 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 6 months advance notice of our intent not to renew the franchise.
- (e) A provision that permits us 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 will not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

Michigan (cont'd.)

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

1. The failure of the proposed transferee to meet our then current reasonable qualifications or standards.
2. The fact that the proposed transferee is a competitor of us.
3. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
4. The failure of you or the proposed transferee to pay any sums owing us or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us 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 us to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

MINNESOTA

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

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

Notwithstanding anything to the contrary set forth in the Franchise Agreement, any general release you are required to assent to will not apply to any liability we may have under the Minnesota Franchise Act.

Notwithstanding anything to the contrary set forth in the Franchise Agreement, we will indemnify you for all costs and expenses you incur in any action or proceeding brought against you by any third party as a result of your authorized use of our trademarks.

The franchiser will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name, as required under Minn. Stat. §80C.12 Subd. 1(G). Minnesota considers it unfair to not protect the franchisee's right to use the trademarks.

NEW YORK

This addendum amends and revises the Steamoji America Services, Inc. disclosure document as follows:

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought

by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

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

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

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

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

NORTH DAKOTA

Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to the statute, have been determined to be unfair, unjust, or inequitable in North Dakota. Sections of the Disclosure Document and Franchise Agreement containing covenants restricting competition to which you must agree may not be enforceable under North Dakota law, and are amended accordingly to the extent required by law.

Sections of the Franchise Agreement requiring you to arbitrate or mediate disputes may require you to consent to a waiver of trial by jury. A waiver of trial by jury may not be enforceable under North Dakota law and any such provisions are amended accordingly to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement requiring you to consent to the jurisdiction of courts outside of North Dakota or providing for resolution of disputes to be outside North Dakota may not be enforceable under North Dakota law, and are amended accordingly to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement relating to choice of law, may not be enforceable under North Dakota law, and are amended accordingly to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement requiring you to sign a general release upon renewal of the Franchise Agreement may not be enforceable North Dakota law, and are amended accordingly to the extent required by law.

Sections of the Franchise Agreement requiring you to consent to a limitation of claims may not be enforceable under North Dakota law, and any such provisions are amended accordingly to the extent required by law.

Sections of the Franchise Agreement requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under North Dakota law, and any such provisions are amended accordingly to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement stipulating that you will pay all costs and expenses incurred by us in enforcing the Franchise Agreement may not be enforceable under North Dakota law, and are revised to state that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

The Franchise Agreement contains a liquidated damages clause. It may be unenforceable under North Dakota law.

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The Disclosure Document and Franchise Agreement are amended accordingly to the extent required by law.

VIRGINIA

The following statements are added to Item 17.h. of the Disclosure Document:

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

WASHINGTON DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT ADDENDUM

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

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

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

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

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

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

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

Item 5 “Referral Program” and Schedule “A” Section 15 of the Franchise Agreement are not applicable to the sale of franchises to Washington residents or for locations in Washington.

Items 5 and 7 of the Disclosure Document and Section 3 of the Franchise Agreement are amended to provide that initial franchise fees are paid when we have satisfied our initial obligations to you under the Franchise Agreement and you begin operating the Franchised Business. The State of Washington has imposed this deferral requirement because of our financial condition.

The third sentence of Section 14.3 of the Franchise Agreement is revised to read “None of our officers, employees or agents has any authority to make any agreement, warranty, representation or promise not contained in this Agreement.”

The following sentence is added to Section 14.28 of the Franchise Agreement: “The general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder”.

Subsection (d) of Item 17 e. of the Disclosure Document, and the last sentence of Section 4.1(e) of the Franchise Agreement, are deleted.

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.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

FRANCHISOR

FRANCHISEE

.

WISCONSIN

With respect to franchise agreements governed by Wisconsin law, the following will supersede any inconsistent provision:

The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits termination, cancellation, nonrenewal or substantial change in the competitive circumstances of a dealership agreement without good cause. The Law further provides that 90 days' prior written notice of the proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. The Disclosure Document and Franchise Agreement are hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provisions in the Franchise Agreement that are inconsistent with that Law. Wis. Stats. Ch. 135, The Wisconsin Fair Dealership Law. SEC 32.06(3), Wis. Adm. Code.

ACKNOWLEDGMENT AND AGREEMENT:

All parties agree that, to the extent applicable and required under state law, the foregoing provisions are added to supersede or modify the existing provisions of the Franchise Agreement, but only to the extent and for so long as they embody valid, enforceable, and obligatory state law then in effect.

This Acknowledgment and Agreement may be signed in counterparts and delivered via facsimile or other electronic means.

ACKNOWLEDGED AND AGREED as of _____, 20__.

FRANCHISEE:

[FRANCHISEE NAME]

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

(MUST BE SIGNED BY ALL OWNERS OF THE FRANCHISEE ENTITY)

FRANCHISOR:

STEAMOJI AMERICA SERVICES, INC.

By: _____

Title: _____

Date: _____

EXHIBIT G
General Release

FORM OF RELEASE

This GENERAL RELEASE ("Release") is made this [Day] day of [Month], [Year], by [Franchise Name] ("Releasor"), as franchisee under and signatory to that certain Franchise Agreement dated [Date of Franchise Agreement] for the location of [Location] (the "Franchise Agreement") entered into by and between Steamoji America Services Inc. ("Franchisor") and Releasor. This Release is being executed pursuant to the requirements of the Franchise Agreement as a condition of the rights granted by Franchisor to Releasor therein, and for other good and valuable consideration, the receipt of which is acknowledged by the parties. Releasor is [transferring its franchised business to a successor-in-interest] OR [voluntarily ending its affiliation as a franchisee] OR [executing a successor agreement to continue the Franchised Business].

1. General Release. Releasor and the owners, affiliates, officers, agents, directors, shareholders, members, managers, trustees, partners, employees, attorneys, spouses, heirs and assigns of Releasor (collectively the "Releasing Parties"), hereby release, quit claim, and forever discharge Franchisor, its affiliates, and their respective owners, affiliates, officers, agents, directors, shareholders, members, managers, trustees, partners, employees, attorneys, insurers, spouses, heirs and assigns (collectively the "Released Parties") of and from any and all manner of action and actions, cause and causes of action, claims, suits, damages, controversies, judgments, costs, fees, executions, and demands of any kind and nature whatsoever, at law or in equity, that the Releasing Parties had or now have, whether known or unknown, or contingent or fixed, for or by reason of, arising out of, or related to any matter, cause or thing whatsoever up until and including the date hereof (the "Claims").

2. Representations and Warranties. Releasor represents and warrants to Company that, in entering into this Release, it (i) is doing so freely and voluntarily upon the advice of counsel and business advisor of its own choosing (or declined to do so, free from coercion, duress or fraud); (ii) has read and fully understands the terms and scope of this Release; (iii) realizes that it is final and conclusive, and intends to be final and conclusive, as to the matters set forth in this Release; and (iv) has not assigned, transferred, or conveyed to any third party all or any part of or partial or contingent interest in any of the Claims which are called for to be released by this Release, that it is aware of no third party who contends or claims otherwise, and that it shall not purport to assign, transfer, or convey any such claim in the future.

3. Waiver of Statutory Preservation Provisions. Releasor and the Releasing Parties hereby expressly, voluntarily and knowingly waive, relinquish and abandon each and every right, protection and benefit to which Releasor and the Releasing Parties would be entitled, now or at any time hereafter under any statute, regulation, or common law principal of any jurisdiction, including Section 1542 of the Civil Code of the State of California, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

This waiver extends to any other statute or common law principle of similar effect in any applicable jurisdiction, including without limitation, California and or any other jurisdiction in which the Releasing Parties reside.

4. Indemnity. Without in any way limiting any of the rights and remedies otherwise available to any Released Party, Releasor shall defend, indemnify and hold harmless each Released Party from and against all Claims whether or not involving third party Claims, arising directly or indirectly from or in connection with (i) the assertion by or on behalf of Releasor or the Releasing Parties of any Claim or other matter purported to be released pursuant to this Release, (ii) the assertion by any third party of any Claim against any Released Party which Claim arises from, or in connection with, any Claim or other matter purported to be released pursuant to this Release; and (iii) any breach of representations, warranties or covenants by Releasor.

5. Miscellaneous.

(a) This Release cannot be modified, altered or otherwise amended except by an agreement in writing signed by all of the parties hereto.

(b) This Release, together with the agreements referenced in this Release, constitute the entire understanding between and among the parties with respect to the subject matter of this Release. This Release supersedes any prior negotiations and agreements, oral or written, with respect to its subject matter. No representations, warranties, agreements or covenants have been made with respect to this Release, and in executing this Release, none of the parties is relying upon any representation, warranty, agreement or covenant not set forth in this Release.

(c) This Release may be executed in counterparts and may be delivered by facsimile or other electronic means.

(d) This Release shall be binding upon and inure to the benefit of the parties to this Release and their respective successors and permitted assigns.

(e) All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Release may require. Neither this Release nor any uncertainty or ambiguity in this Release shall be construed or resolved against the drafter, whether under any rule of construction or otherwise. On the contrary, this Release has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties. If any provision of this Release is susceptible to two or more constructions, one of which would

render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

(f) Any provision of this Release which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

(g) Each of the parties acknowledges that it had the right and opportunity to seek independent legal counsel of its own choosing in connection with the execution of this Release, and each of the parties represents that it has either done so or that it has voluntarily declined to do so, free from coercion, duress or fraud.

(h) This Release shall be governed by and construed in accordance with the internal laws of the State of Washington, without reference to conflict of law principles.

(j) This release does not apply to claims that arise under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220.

(signature page to follow)

IN WITNESS WHEREOF, the parties have caused this General Release to be duly executed.

[This Form of Release will not be signed at the time the Franchise Agreement is executed. Sign an execution copy of this Form of Release only in conjunction with a transfer or other approved, voluntarily relinquishment by Franchisee of its Franchise Agreement.]

FRANCHISOR:

STEAMOJI AMERICA SERVICES INC.

By: _____

Name: _____

Its: _____

Date of Execution: _____

RELEASOR:

[Company Name]

- ☐ a _____ general partnership;
- ☐ a _____ limited partnership;
- ☐ a _____ limited liability company;
- ☐ a _____ corporation

By: _____

Name: _____

Its: _____

Date of Execution: _____

Exhibit H

Final Disclosure Questionnaire

FINAL DISCLOSURE QUESTIONNAIRE

As you know, Steamoji America Services, Inc. (the “**Franchisor**”) and you are preparing to enter into a franchise agreement (the “**Franchise Agreement**”) for the operation of Steamoji Academy (the “**Franchised Business**”). The purpose of this questionnaire is to determine whether any statements or promises were made to you, both orally or in writing, that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

[California franchisees should not complete this Questionnaire. If any California franchisee completes this Questionnaire, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such Questionnaire.]

1. Have you received and personally reviewed the Franchise Agreement and each exhibit attached to it?

Tick one: Yes _____ No _____

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit attached to it?

Tick one: Yes _____ No _____

If no, what parts of the Franchise Agreement do you not understand? (attach additional pages, if necessary)

3. Have you received the Franchise Agreement you are to execute with all the blanks completed?

Tick one: Yes _____ No _____

If so, on what date did you receive the completed Franchise Agreement?

-
4. Have you received and personally reviewed the franchise disclosure document (“FDD”) which was provided to you?

Tick one: Yes _____ No _____

On what date did you receive the FDD?

-
5. Did you sign a receipt for the FDD indicating the date you received it?

Tick one: Yes _____ No _____

6. Do you understand all of the information contained in the FDD?

Tick one: Yes _____ No _____

If no, which parts of the FDD do you not understand? (attach additional pages, if necessary)

-
-
-
7. Have you discussed the benefits and risks of operating a Franchised Business with an attorney, accountant or other professional advisor and do you understand those risks?

Tick one: Yes _____ No _____

If no, did you have the opportunity to do so?

Tick one: Yes _____ No _____

8. Do you understand that the success or failure of your franchise will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease and other economic and business factors?

Tick one: Yes _____ No _____

QUESTIONS 9 THROUGH 16 DO NOT RELATE TO INFORMATION YOU MAY HAVE BEEN GIVEN DIRECTLY BY ANY EXISTING FRANCHISEES OF THE FRANCHISOR

9. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement or promise concerning **the actual revenues or profits** of a Franchised Business?

Tick one: Yes _____ No _____

10. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement or promise concerning **the amount of money you may earn** in operating the Franchised Business?

Tick one: Yes _____ No _____

11. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement or promise regarding **the costs you may incur in starting** the Franchised Business that is contrary to, or different from, the information contained in the FDD?

Tick one: Yes _____ No _____

12. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement or promise concerning **the likelihood of success that you should or might expect to achieve from operating** the Franchised Business?

Tick one: Yes _____ No _____

13. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement, promise or agreement concerning **the advertising, marketing, training, support services or assistance that the Franchisor will furnish** to you that is contrary to, or different from, the information contained in the FDD?

Tick one: Yes _____ No _____

14. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement, promise or agreement relating to any right you may have to acquire territory in addition to what will be initially granted to you under the Franchise Agreement?

Tick one: Yes _____ No _____

15. Has any employee, broker or other person speaking on behalf of the Franchisor made any other written or oral statement, promise or agreement relating to the Franchised Business that is contrary to, or different from, the information contained in the FDD?

Tick one: Yes _____ No _____

16. If you have answered “Yes” to any of question nine (9) through sixteen (16), please provide a full explanation of your answer in the following lines (attach additional pages, if necessary). If you have answered “No” to each of the foregoing questions, please leave the following lines blank.

The questionnaire does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND WE WILL RELY ON THEM.

BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

SIGNATURE _____

NAME (PRINT) _____

POSITION _____

NAME OF BUSINESS ENTITY _____

DATE _____

Exhibit I

UNITED STATES FRANCHISE AGREEMENTS SIGNED AND OUTLETS OPENED AS OF MARCH 1, 2024

State	City	Address	Zip	Phone	Owner/Operator	Operating Name
WA	Kirkland	355 Kirkland Avenue	98033	(425) 999-9697 kirkland@steamoji.com	Kalyani Arvapally	METRA LLC

UNITED STATES FRANCHISE AGREEMENTS SIGNED AND OUTLETS NOT OPENED AS OF MARCH 1, 2024

State	City	Address	Zip	Phone	Owner/Operator	Operating Name

In the United States, we do not current have any franchise agreements signed with unopened outlets.

CANADIAN FRANCHISE AGREEMENTS SIGNED AND OUTLETS OPENED AS OF MARCH 1, 2024

Province	City	Address	Zip	Phone	Owner/Operator	Operating Name
AB	Calgary	#1130 - 2 Royal Vista Link NW	T3R 0K4	(403) 966-3040 calgarynorthwest@steamoji.com	DEVANG JOSHI	KRISHDEV STUDY CENTRES INC
AB	Calgary	2060 Symons Valley Parkway NW	T3P 0M9	(587) 316-9928 calgarynorth@steamoji.com	SADIA NISA ALIM	CENTROID EDUCATIONAL SERVICES INC.
AB	Calgary	555 Strathcona Boulevard	T3H 2Z9	(403) 863-9398 calgarywest@steamoji.com	ERIN AND BRAD HAFICHUK	STEM EDUCATION CALGARY WEST LTD.
BC	Burnaby	6125 Sussex Ave	V5H 4G1	(604) 880-2139 burnabymetrotown	SEAN HUANG	STEAM MT EDUCATION LTD.

Province	City	Address	Zip	Phone	Owner/Operator	Operating Name
				@steamoji.com		
BC	Kelowna	Unit 105, 1925 Enterprise Way	V1Y 0J9	(236) 766-1966 kelowna@steamoji.com	ANDRIY AHAPOV AND IURI RAGEL	1419910 B.C. LTD
BC	Richmond	#140 - 8031 Williams Road	V7A 1G4	(604) 447-8999 richmondcentral@s teamoji.com	JING WANG AND ZHENG CUI	CACTUS EDUCATION LIMITED
BC	Vancouver	5465 West Blvd.	V6M 3W5	(604) 566-3324 kerrisdale@steamoj i.com	This is not a franchisor location but a US affiliate. This is disclosed for information only.	STEAMOJI KERRISDALE LEARNING SERVICES INC. (CORPORATE LOCATION)
BC	Vancouver	#1 - 2156 West Broadway	V6K 4L9	(778) 676-0676 kitsilano@steamoji. com	OWEN PHILIP HANN, NICHOLAS MARK HANN AND DEBRA ANNE HANN AND ADAM HAYHURST HART	STEAM EDUCATIONAL SERVICES LTD.
BC	West Vancouver	948 Park Royal	V7W 1A1	(604) 281-1829 westvancouver@ste amoji.com	MING ZHANG	1376606 B.C. LTD.
ON	Mississauga	3465 Platinum Drive, Unit 93	L5M 7N4	647-502-3669 meadowvale@stea	MOHAMMED IBRAHIM ALI	CICO BUSINESS CONSULTING INC.

Province	City	Address	Zip	Phone	Owner/Operator	Operating Name
				moji.com		
ON	Mississauga	3465 Platinum Drive, Unit 93	L5M 7N4	647-502-3669 meadowvale@stea moji.com	MOHAMMED IBRAHIM ALI	CICO BUSINESS CONSULTING INC.

CANADIAN FRANCHISE AGREEMENTS SIGNED AND OUTLETS NOT OPENED AS OF MARCH 1, 2024

Province	City	Address	Zip	Phone	Owner/Operator	Operating Name
AB	Calgary	To be determined		calgarysouthwest@ steamoji.com	ERIN AND BRAD HAFICHUK	STEM EDUCATION CALGARY SOUTH WEST LTD.
AB	Calgary	No premises secured yet.	No premises secured yet.	calgarysoutheast@s teamoji.com	ANKIT SHAHI, DEEPAIN NAYYAR	2551085 ALBERTA INC.
AB	Sherwood Park	No premises secured yet.	No premises secured yet.	sherwoodpark@ste amoji.com	DAYNA HERR	2533125 ALBERTA LTD.
BC	Langley	No premises secured yet.	No premises secured yet.	langley@steamoji.c om	SASAN TEHRANI AND DANIEL MOTA	1356179 B.C. Ltd.
BC	North Vancouver	No premises secured yet.	No premises secured yet.	northvancouver@st eamoji.com	STACY FISH	12TH SIGN CREATIONS, INC
BC	Oakridge	No premises secured yet.	No premises secured yet.	oakridge@steamoji .com	DEYU (MILLY) XIAO	CAYBAM HOLDING LTD
BC	South Surrey	No premises secured yet.	No premises secured yet.	southsurrey@steam oji.com	STEPHANE NICAISE	1448748 BC LTD
BC	Surrey	No premises secured yet.	No premises secured yet.	surreynewtown@st eamoji.com	STEPHANE NICAISE	1448748 BC LTD.
ON	Ajax	No premises	No premises	ajax@steamoij.com	ARTEM	KANA

		secured yet.	secured yet.		SKACHKOV	FRANCHISING INC.
ON	Burlington	To be determined.		(289) 707-4580 burlington@steamoji.com	XIAOKANG “LARRY” ZHANG	Kidspower Learning Inc.
ON	Kitchener	To be determined.		kitchener@steamoji.com	SIDHARTH BHUTANI, SAMIR DOGRA	Prodigy Tigers Inc.
ON	Milton	No premises secured yet.	No premises secured yet.	milton@steamoji.com	ROMAN STROKACH AND OLENA VLASENKO	STEM AFTER SCHOOL INC.
ON	Oshawa	No premises secured yet.	No premises secured yet.	oshawawhitby@steamoji.com	ARTEM SKACHKOV	KANA FRANCHISING INC.
ON	Pickering	No premises secured yet.	No premises secured yet.	pickering@steamoji.com	ARTEM SKACHKOV	KANA FRANCHISING INC.
ON	Richmond Hill	No premises secured yet.	No premises secured yet.	richmondhill@steamoji.com	ZI WANG	1000737951 ONTARIO CORPORATION
ON	Richmond Hill North	No premises secured yet.	No premises secured yet.	richmondhillnorth@steamoji.com	ZI WANG	1000737951 ONTARIO CORPORATION
ON	Unionville	No premises secured yet.	No premises secured yet.	markhamunionville@steamoji.com	ZI WANG	1000737951 ONTARIO CORPORATION

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

Exhibit J

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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 Franchise Disclosure Document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	Pending
Wisconsin	

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

Exhibit K

Receipts

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Steamoji America Services, Inc. offers you a franchise, it must provide this Disclosure Document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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

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

If 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 state agency listed on Exhibit A.

The franchise sellers for this offering are: ☐ Henry Horkoff, ☐ Mikhail Baiman, ☐ Amadea Morrow and ☐ Other _____. Their business address is 16630 Redmond Way, Redmond, Washington, United States 98052. Their phone number is (425) 242-0350.

Issuance Date: March 4, 2024

See Exhibit A for a list of registered agents authorized to receive service of process.

I received a Disclosure Document dated March 4, 2024, that included the following Exhibits:

- | | | | |
|-----|--|----|--|
| A. | List of State Agencies and Agents for Service of process | F. | State Specific Addenda |
| B. | Franchise Agreement | G. | General Release |
| C-1 | Non-Disclosure Agreement (Individual) | H. | Final Disclosure Questionnaire |
| C-2 | Non-Disclosure Agreement (Business Entity) | I. | Current and Certain Former Franchisees |
| D. | Table of Contents for the Manuals | J. | State Effective Dates |
| E. | Financial Statements | K. | Receipts |

Keep this copy

Date of receipt (print)

Name (print)

Name of corporation, LLC or partnership (print)

Signature (individually or as an officer, member or partner of)

State of organization (print)

Exhibit K

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The franchise sellers for this offering are: Henry Horkoff, Mikhail Baiman, Amadea Morrow and Other _____. Their business address is 16630 Redmond Way, Redmond, Washington, United States 98052. Their phone number is (425) 242-0350.

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| D. | Table of Contents for the Manuals | J. | State Effective Dates |
| E. | Financial Statements | K. | Receipts |

Return this copy to us

_____ Date of receipt (print)	_____ Name (print)
_____ Name of corporation, LLC or partnership (print)	_____ Signature (individually or as an officer, member or partner of)
_____ State of organization (print)	

You may return the signed receipt to us by signing and dating it and emailing a copy to Steamoji America Services, Inc. at **hank.horkoff@steamoji.com**