No. ___

FRANCHISE DISCLOSURE DOCUMENT

The Knight School Franchising, LLC
an Alabama limited liability company
2612 Vestavia Forest Terrace
Birmingham, Alabama 35216
(205) 332-5233
dbrooksphd@theknightschool.com
www.theknightschool.com

The franchisee will operate a school offering proprietary and professional chess instruction primarily for children under the name "The Knight School®." The total investment necessary to begin operation of a franchised business is from $21,140 to $54,280. This includes $18,320 to $18,820 that must be paid to the franchisor or its affiliate(s).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact David Brooks at 2612 Vestavia Forest Terrace, Birmingham, Alabama 35216, and (205) 332-5233.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*Buying a Franchise, A Consumer Guide*", 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 31, 2026

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising Generally

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

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

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

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include

controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

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

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

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

Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda in Exhibit I.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk be highlighted:

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

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

3. **Sales 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.

CERTAIN STATES MAY REQUIRE OTHER RISKS TO BE HIGHLIGHTED. CHECK THE "STATE SPECIFIC ADDENDA" (IF ANY) TO SEE WHETHER YOUR STATE REQUIRES OTHER RISKS TO BE HIGHLIGHTED.

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "Franchisor", "Knight Franchising", "we", "our", and "us" means the franchisor, The Knight School Franchising, LLC, an Alabama limited liability company. "You" means the individual, corporation, partnership, limited liability company or other business entity which acquires the franchise from us and includes your shareholders, partners, members or other equity holders defined as "Owners" below.

Franchisor

The franchisor is The Knight School Franchising, LLC, an Alabama limited liability company, formed on April 19, 2024, ("Franchisor," "we," "us" or "our"). We conduct business under the name "The Knight School®" and our company name. Our principal place of business is 2612 Vestavia Forest Terrace, Birmingham, Alabama 35216 and our registered agent at that address is David Brooks. We do not maintain an office at any location other than our principal place of business. Our telephone number is (205) 332-5233 and our website is www.theknightschool.com (collectively, with all other all associated web addresses, URLs, websites and web pages, social internet domain names, social media accounts, media sites and pages, and all related content and data, the "Website(s)"). Our agents for service of process are listed on Exhibit G.

We offer and sell franchises for which we offer proprietary and professional chess instruction training and other services under The Knight School service mark. We have never offered franchises in any other line of business nor operated a The Knight School business. We do not participate in any other business activities other than offering The Knight School franchises for sale in the United States; and conducting related business matters. We have been offering franchises since July 2024.

Franchisor's Parents, Predecessors and Affiliates

Our first affiliate is The Knight School America, LLC, an Alabama limited liability company, formed on October 15, 2014, ("TKSA"). Our principal place of business is 2612 Vestavia Forest Terrace, Birmingham, Alabama 35216 and our registered agent at that address is David Brooks. TKSA began licensing the right to operate the Knight School businesses similar to the one you will operate in January 2015 in certain states under a nominal fee exemption. As of December 31, 2025, TKSA has 7 licensees under license agreements to operate Knight School businesses, of which 6 are not affiliated with us and operates one location and the other licensee is our affiliate described below which operates two locations.

Our second affiliate is The Knight School, LLC ("TKS"), which operates The Knight School locations in Birmingham and Tuscaloosa areas in Alabama, and in Washington, D.C. Our owner, David Brooks ("Brooks"), owns the intellectual property licensed to you by the Franchise Agreement and includes the registered trademark "The Knight School" and other trademarks, trade names, service marks, logos, designs, emblems and other marks and symbols designated by us from time to time in connection with the operation of The Knight School business (the "Marks") and the related copyrights, patents, technology, processes, techniques, data, inventions, know-how and trade secrets, owned or developed by it as well as other intellectual property and proprietary information also used in the operation of a The Knight School business (collectively, with the Websites and Marks, the "Intellectual Property"). We acquired the right to use and sub-license to franchisees the Intellectual Property under a Master Trademark and Service Mark License Agreement with Brooks. The license agreement has a term of 50 years.

None of our affiliates have never offered franchises in any line of business. None of our affiliates guarantee

our obligations. None of our affiliates or parents offer franchises in this line or in any line of business but the TKSA will continue to act as a licensor to certain licensed Knight School businesses until their current license agreements expire. Our affiliates may provide certain training and support and may promote The Knight School name in non-franchise related endeavors.

We do not have any other parents, predecessors or other affiliates required to be disclosed in this item. Neither we nor our predecessors or affiliates have offered franchises in other lines of business.

Description of the Franchisor's Business and Franchises to be Offered

We grant you the right to own and operate a business providing proprietary and professional chess instruction training and other services primarily to children in a fun, informational environment (the "Franchise Business"). You must provide these services in accordance with our comprehensive system for the operation of a Knight School Franchise Business, which includes proprietary standards, methods and procedures; business techniques; confidential manuals; proprietary software; learning camps, teaching and management training; methods for recruiting and retaining qualified coaches; trade secrets; quality and consistency standards for services offered; procedures for accounting, inventory control and management; advertising, marketing and promotional programs; and other specifications, know-how, information, training and business relationships, all of which we may revise, change, cancel, alter, amend, further improve, discontinue, develop or otherwise modify, from time to time (the "System"). Our System is identified by our federally registered service mark "The Knight School®" and the other Marks. You must use our Marks in the operation of your Franchise Business, as we direct.

We offer Franchises to qualified individuals, corporations, limited liability companies, partnerships or other legal entities. You must sign our form of franchise agreement, in the form attached to this Disclosure Document as Exhibit A, for your Franchise ("Franchise Agreement"). If you wish to purchase, and we agree to sell you, additional Franchises after you open your initial Franchise, you must sign our then-current form of franchise agreement for any additional Franchise that you wish to purchase. The terms of any then-current franchise agreement may differ from the Franchise offered under this Disclosure Document.

The Franchise Agreement requires you to designate an "Operating Principal." Your Operating Principal must own at least a majority (51%) of the voting and equity interest in the Franchise and must have authority to make all decisions on behalf of the Franchise. You must obtain our approval of your Operating Principal. We require your current and future owners, shareholders, members, partners, equity holders and principals ("Owners") to sign a personal guaranty ("Guaranty"), guaranteeing your performance and binding themselves individually to certain provisions of the Franchise Agreement, including the covenants against competition and disclosure of confidential information, restrictions on transfer and dispute resolution procedures.

We require you designate one full-time person who has successfully completed our initial training program to devote their best efforts to manage the day to day operations of the Franchise on a year-around basis ("City Coach"). Your Operating Principal may act as your City Coach or you may appoint another Owner with equity in the Franchise as the City Coach. Once your Franchise Business meets the Minimum Performance Standards described in the Operations Manual then you may hire an employee to act as your City Coach. We require you ensure all personnel who have access to our Operations Manual or other confidential information to sign a Confidentiality and Non-Use Agreement. We require all City Coaches and manager level personnel who complete our initial training program and have access to our Operations Manual to sign a Non-Compete, Confidentiality and Non-Solicitation Agreement, where permitted by law, in the form attached to the Franchise Agreement.

Competition

The market for chess instruction services is competitive and localized. We compete with other individuals and schools offering chess instruction to children. You may have to compete with numerous other independent and chain-affiliated businesses, some of which may be franchised. Many business franchise systems, in particular, may have already established national and international brand recognition. You may also have to complete with local libraries and other potentially non-profit organizations that offer chess programs to the public. Your ability to compete will depend on your geographic area, general economic conditions and your abilities as an owner/operator of the franchise. The products and services offered by the Franchise Businesses are not seasonal, although summer programs for Franchise Businesses are popular. We compete on the basis of offering fully customized and fun instruction services at the best value.

Laws and Regulations

You must operate your Franchise in compliance with all applicable federal, state and local laws and regulations that apply to businesses generally. Additionally, you have to comply with all laws, rules and regulations specific to providing instructional learning to minors, including health and safety requirements related to the services and personnel screening obligations involving background checks and criminal records checks for Owners, personnel, employees and independent contractors, obligations to report evidence of child abuse and neglect, privacy laws, auto-renewal laws, and other requirements that you may be required to satisfy before offering and providing after-school classes within a local school system.

We strongly encourage you to investigate the local, state, and federal laws that may apply to your Franchise Business and that you investigate local requirements relating to your ability to offer after-school programs and to market and promote the Franchise Business to local schools within your territory.

Some states and local governments may require your coaches to be licensed in order to perform certain activities for your Franchise Business. You should also be aware of the employment laws that affect your Franchise Business such as minimum wage and age requirements.

You should consider these laws and regulations in evaluating your purchase of a The Knight School franchise. There may be other laws applicable to your Franchise Business. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.

ITEM 2

BUSINESS EXPERIENCE

Owner, Founder, and Chief Executive Officer: David Brooks, Ph.D.

Dr. Brooks is our Owner and Founder and has held this position since our formation on April 19, 2024 serving in Birmingham, Alabama. Dr. Brooks is also the Owner and Executive Director of TKSA since its formation on October 15, 2014, located in Birmingham, Alabama and Owner and Executive Director of TKS since its formation on July 12, 2010, located in Birmingham, Alabama.

Chief Operating Officer: Justin Polk

Justin Polk is our Chief Operating Officer and has held this position since our formation on April 19, 2024 serving in Houston, Texas. Justin Polk is also the Chief Operating Officer of TSA and has held this position since May 21, 2021 serving in Houston, Texas. From March 2018 to May 2021, Justin Polk was the co-

owner of KJP Enterprises, LLC which operated a The Knight School licensed location in North Houston, Texas.

Chief Human Resources Officer: Kara Polk

Kara Polk is our Chief Human Resource Officer and has held this position since our formation on April 19, 2024 serving in Houston, Texas. Kara Polk also serves as the Chief Human Resources Officer of TKSA, a position she has held since June 14, 2021, located in Houston, Texas. Ms. Polk was the co-owner of KJP Enterprises, LLC which operated a The Knight School licensed location in North Houston, Texas from 2019 to May 2021. Since August 2019, Ms. Polk has held various positions with Symphony Talent in Houston, Texas, most recently serving as Program Director of Assessments since January 2023, Manager of Assessments from July 2021 to January 2023 and as an Assessment Consultant from August 2019 to July 2021.

Deputy Executive Officer: Olivia Brooks

Olivia Brooks is our Deputy Executive Officer and has held this position since our formation on April 19, 2024 serving in Allentown, Pennsylvania. Olivia Brooks has also served as the Deputy Executive Officer for TKSA since July 1, 2024. Ms. Brooks was also the owner-operator of The Knight School locations since 2015. In 2024 she was the owner of The Knight School Maryland in Silver Springs, Maryland which she subsequently transferred to a franchisee, from June 2021 to July 2024 she was the owner of The Knight School Lehigh Valley in Allentown, Pennsylvania and from August 2015 to July 2021, she was the owner of The Knight School DC in Washington D.C.

Director of City Coach Success and Engagement: De Laurence Burnes

De Laurence Burnes is our Director of City Coach Success and Engagement and has held this position since our formation on April 19, 2024 serving in Dallas, Texas. De Laurence Burnes has also served as the Director of City Coach Success and Engagement for TKSA since September 20, 2021 in Dallas, Texas. Mr. Burnes is also the owner of The Knight School Dallas since 2016, in Dallas, Texas.

Chief Administrative Officer: Donna Brooks

Donna Brooks is our Chief Administrative Officer and has held this position since December 31, 2024. Previously, she served as our Executive Administrator from April 19, 2024 to December 31, 2024, serving in Birmingham, Alabama. Ms. Brooks has been the Executive Administrator of TKSA and TKS since their respective formations on October 15, 2014 in Birmingham, Alabama. From May 2021 to August 2023, Donna Brooks was Of Counsel at Mainsail Lawyers in Birmingham, Alabama.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Disclosure Document.

ITEM 4

BANKRUPTCY

There is no bankruptcy information to be disclosed in this Item.

ITEM 5

INITIAL FEES

Initial Franchise Fee

The initial franchise fee is $35,000 ("Initial Franchise Fee") of which $15,000 ("Upfront Initial Fee") is paid at the signing of the Franchise Agreement and the remaining $20,000 ("Initial Fee Installment") is paid in full in semi-annual installments of $2,000 which payments commence upon the 6th month anniversary of the signing of the Franchise Agreement and the last payment ends upon the expiration of the initial term of the Franchise Agreement. The Upfront Initial Fee is uniform for all similarly situated franchisees, is deemed fully earned upon payment and, in consideration of administrative and other expenses we incur in granting this Franchise and for our lost or deferred opportunity to offer the Franchise to others and is nonrefundable under any circumstances. The total amount you owe us for any given Initial Fee Installment will be reduced by fifty percent (50%) if (i) you have met the minimum performance standards as defined by the Operations Manual; and (ii) your Designated Territory is a Rapidly Growing Territory as defined in the Franchise Agreement and Operations Manual.

We offer a trial period ranging from 11 to 16 months as described in the Franchise Agreement depending upon when you commence operations ("Trial Period"). If (1) you do not desire to continue operating a Franchised Business after the Trial Period; and (2) you are in good standing with us and our affiliates and not in violation of the Franchise Agreement; and (3) you and your Owners sign a general release and mutual termination agreement in the form attached as Exhibit A to the Franchise Agreement; then we will forgive any Initial Fee Installment due after the effective date of the mutual termination.

We may discount the Initial Franchise Fee for existing franchisees, current licensees of our affiliates and our employees, personnel or the personnel of our franchisees or affiliate licensees. We may waive $14,500 of the Upfront Initial Fee for franchisees with a positive referral from an existing franchisee in good standing. Under the referral discount, the Upfront Initial Fee is reduced to $500 and the total amount you owe us for any given Initial Fee Installment remains unchanged.

During our last fiscal year, two licensees of our affiliate converted to franchisees and paid no Initial Franchise Fee. Five new franchisees paid a discounted Initial Franchise Fee of $20,500. These franchisee qualified for our referral program described above.

Except as described above, the Initial Franchise Fee is uniform for all similarly situated franchisees, is deemed fully earned upon payment and is nonrefundable under any circumstances.

Opening Kit

You must purchase an opening starter kickoff supply bundle kit of materials, including chess kits and t-shirts necessary to operate your Franchised Business from us or our affiliate before you open your Franchise Business to the public ("Opening Kit"). The Opening Kit also includes a "Tech Pack" of initial equipment including a projector, carrying case, thumb drives, chess clocks, extension cords and related materials listed in our Operations Manual. The cost of the Opening Kit varies based on the exact composition of the items comprising the Opening Kit but typically ranges from $3,320-$3,820 dollars ("Opening Kit Fee"). We allow any franchisee in good standing to pay the Opening Kit Fee in ten (10) equal monthly installments which payments commence upon the 6th month anniversary of the commencement of operations and the last payment ends upon the expiration of the initial term of the Franchise Agreement.

The Opening Kit Fee price is uniform for all similarly situated franchisees, is deemed fully earned upon shipping of the Opening Kit and is nonrefundable under any circumstances. We may discount the Opening Kit Fee for existing franchisees, current licensees of our affiliates and our employees, personnel or the personnel of our franchisees or affiliate licensees.

Initial Training

Prior to opening your Franchise your Operating Principal and City Coach must also complete our initial training program ("Initial Training"). Initial Training for your Operating Principal and City Coach is included in the Initial Franchise Fee (for a total of 1-2 attendees). This training will occur virtually as well as in Birmingham, Alabama or Houston, Texas or another location designated by us. You are solely responsible for all costs and expenses, including wages, travel and lodging of yourself and your attendees. We may provide initial training to additional personnel at any of our scheduled initial training courses at our then-current fee upon commencement of the training program at your request and subject to our availability. The current initial training fee for additional attendees is currently $1,500 per attendee.

There are no other payments to or purchases from us or our affiliates that you must make before your Franchise Business opens.

ITEM 6

OTHER FEES

Type of fee	Amount	Due Date	Remarks (1)
Continuing Royalty Fee ("Royalty Fee") (2)	Up to 15% of Gross Revenues (3)	Monthly by the 10th of the month for the previous month's Gross Revenue (4)	We waive the Royalty Fee during the first 6 months of operation of your Franchised Business. You will not pay a Royalty Fee on the first $2,500 of Gross Revenue each month until your 37th month after execution of the Franchise Agreement.
Brand Fund Fee	Currently none, but we reserve the right to impose a Brand Fund Fee upon notice. It will not exceed 2% of Gross Revenues.	Same as the Royalty Fee	We do not currently have a Brand Fund Fee, but if we institute one, then you will not pay a Brand Fund Fee on the first $2,500 of Gross Revenue each month until your 37th month after execution of the Franchise Agreement. Payable to us or directly to the Brand Fund, as directed, by automatic electronic debit from your account or other manner we designate.

Type of fee	Amount	Due Date	Remarks (1)
Software and Technology Fee	Currently none, but we reserve the right to impose a Software and Technology Fee upon notice. It will not exceed 1% of Gross Revenues in addition to any direct price increases from third party vendors.	Same as the Royalty Fee	We may implement a technology fee to cover the cost of developing, improving, upgrading, modifying changing technology for the System including potential website development, loyalty programs, customer portals, mobile applications, software, phone systems, and maintenance, and support of our email system. We reserve the right to implement or increase this fee upon 30 days' notice to you if we develop or introduce new technology, improve, upgrade, modify or change existing technology or if our costs or supplier pricing increases.
Supply Bundle Purchases	Varies based on products and supplies	When billed	Prices for supplies and equipment ordered from us plus shipping and taxes vary and are listed in our Operations Manual.
Handling Fee	10% of Supply Bundle Price for each order	When billed	We charge you an additional Handling Fee, which is 10% of the total price of any order of supplies and equipment from us. We waive collection of any Handling Fees during the first 6 months of operation of your Franchised Business.
Payment Processing Reimbursement Fees (3)	Our costs but no more than the greater of (i) $195 or (ii) 4% of Gross Revenues	When incurred or by the 17th of the following month	You must reimburse us for your payment processing ongoing costs, such as credit card fees. If the costs we incur in any month exceeds both $195 and 4% of your Gross Revenue for that month, we will only charge you the greater of those two amounts. We defer collection of any Payment Processing Reimbursement Fees during the first 6 months of operation of your Franchised Business.

Type of fee	Amount	Due Date	Remarks (1)
Local Advertising Requirement ("LAR")	Currently none, but we reserve the right to impose a LAR upon notice It will not exceed 1% of Gross Revenues each month.	Within 6 months of the end of the calendar quarter when Gross Revenue is generated	In addition to any Brand Fund Fee, you must spend a minimum LAR on promotion, marketing and advertising of your Franchise locally. You must submit evidence of these expenditures on a quarterly basis, as we direct. We may require you pay your LAR directly to us or an affiliate and we may undertake your local advertising. See Item 11.
Transfer Fee Under Franchise Agreement	$2,500	Before transfer is closed	Payable when you assign your Franchise Agreement.
Supplier Approval Fee	Our costs and expenses, not to exceed $2,500	Upon your request	If you request for us to evaluate a potential new approved supplier, we do not charge a separate fee, but you must pay our costs and expenses to do so.
Additional or On-Site Training	$1,500 per person. You are also responsible for both you and your trainees' expenses including travel, lodging, meals and applicable wages. If we provide On-Site Training, then you will also owe our trainers' travel and living expenses. We may increase this fee during the Term, but it will not exceed $2,000 per person in addition to any increase due to our trainer's wage increases.	Prior to Additional Training	Additional training is training requested by you in addition to Initial Training (as defined in Item 11) or training we require (a) upon renewal or transfer of your Franchise Agreement, (b) upon a change in your Operating Principal or City Coach, or (c) is necessary or appropriate in our sole discretion to protect the quality, integrity and reputation of the System, Proprietary Marks and IP. On-Site Training is additional training provided in your Designated Territory. The fee for additional training is paid to us.

Type of fee	Amount	Due Date	Remarks (1)
Continuing Training	Up to $1,500 per person or $250 per day per attendee. You are responsible for both you and your trainees' expenses including travel, lodging, meals and applicable wages. We may increase this fee during the Term, but it will not exceed $2,000 per person or $300 per day per attendee in addition to any increase due to our trainer's wage increases.	Prior to Continuing Training	Your Operating Principal and City Coach may be required to attend up to one (1) week or forty (40) hours of training courses each calendar year either virtually or at a location we designate.
Remedial Training	$1,500 per person. You are responsible for both you and your trainees' expenses including travel, lodging, meals and applicable wages. We may increase this fee during the Term, but it will not exceed $2,000 per person in addition to any increase due to our trainer's wage increases.	Prior to Remedial Training	Mandatory Remedial Training is additional training we determine is necessary or appropriate to upon your breach or default of the Franchise Agreement, violation of any provision in the Operations Manual or to protect the quality, integrity and reputation of the System.

Type of fee	Amount	Due Date	Remarks (1)
Meeting or Conference Fee	Currently none, but we reserve the right in the future to charge a registration fee for our annual meeting or conference in an amount not to exceed the actual cost per attendee for such conference up to a maximum of $2,500 per attendee.	As incurred.	Payment is required regardless of attendance and is mandatory for your Operating Principal and City Coach. When we hold a franchise convention or meeting, then you are also responsible for your attendees' associated expenses, including all travel, food and lodging expenses that you and your personnel incur in attending the annual meeting or conference. Additionally, if you fail to attend the conference, we reserve the right to require you to attend required remedial training to make up for the missed training sessions and charge you the required remedial training fee outlined above.
Quality Control Audit; Mystery Shopper or Secret Customer Program Fee	Our costs and expenses, not to exceed $2,500	When billed.	You must reimburse us for our out-of-pocket expenses which may include the personnel compensated to conduct the mystery visit or expenses of a third-party firm hired to conduct the mystery visits.
Operations Non-Compliance Fee	$150 per occurrence per week	As incurred.	If there is an instance of non-compliance for failure to comply with operational standards as required and specified under the Franchise Agreement, you will pay us an operations non-compliance fee, plus interest, costs and legal fees.
Insurance	Our costs	As Incurred	If you do not purchase insurance and we purchase insurance on your behalf, you must reimburse our costs.
Taxes	Our costs	As Incurred	If we must pay taxes on your behalf, you must reimburse our costs.
Renewal Fee	None	Payable prior to renewal, if applicable.	We do not currently charge any Renewal Fee, but we reserve the right to require you reimburse us for any updated background or credit check on you or your Owners or document preparation costs upon renewal which will not exceed our out of pocket costs for the services.

Type of fee	Amount	Due Date	Remarks (1)
Audit and Inspection Fee	Cost of audit plus interest on underpayment at highest rate permitted by law	Immediately upon our request	Payable only if audit shows an understatement of 2% or more of Gross Revenues.
Costs and Attorney's Fees	Will vary under circumstances	As Incurred	Payable to the prevailing party if expenses are incurred for the enforcement of the Franchise Agreement.
Indemnification	Will vary under circumstances	As Incurred	You must reimburse us and defend and hold us harmless on all claims arising from your activities under the Franchise Agreement
Reimbursement	Will vary under circumstances	As Incurred	If you fail to pay any Approved Supplier, we may pay the Approved Supplier to protect the quality of our brand and relationships and charge you a 10% administrative fee to do so.
Liquidated Damages	$25,000	Upon early termination	If the Franchise Agreement is terminated during a school term (September to June) because you cease to operate the franchise or we terminate for cause.

Explanatory Notes:

1. Locations operated by our founders and their family members may have different fees. Otherwise, all fees are payable to us, are uniformly imposed and are non-refundable. If we elect not to increase the Software and Technology Fee, LAR, any of our training fees, or any other fees which we reserve the right to increase in any given year, such election shall not be deemed a waiver of our right to do so in subsequent years.

2. We may discount Royalty Fees to 7.5% for chess tuition funded by philanthropy or by grants in your Designated Territory and for any month following a month in which you meet certain customer satisfaction scores. Any royalty reduction program for franchisees reaching certain customer satisfaction scores or based on charitable activities will be uniformly imposed and detailed in our Operations Manual and subject to change on 30 days' notice. You must be in compliance with the Franchise Agreement, Operations Manual, and any other agreements with us and our affiliates to qualify for any Royalty Fee reduction or discount. From time to time, we may initiate Royalty Fee reductions or discounts for certain franchisees who exceed minimum performance requirements described in our Operations Manual.

3. We waive the Payment Processing Reimbursement Fee for any licensee of our affiliate that entered into a franchise agreement with us.

4. "Gross Revenues" means all the total dollar sales and revenue from your operation of the Franchise Business, from whatever source derived, whether in form of cash, credit, agreements

to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by you in exchange for any form of monetary or non-money consideration (whether or not payment is received at the time of the sale or any amount is proved uncollectible). The majority of the Gross Revenue received from your Franchised Business operations is paid to our affiliate under contracts with the schools and facilities where you provide services in your Designated Territory. We remit your Gross Revenue to you minus your Royalty Fee, Brand Fund Fee, Technology Fee and any other fees or expenses due to us under the Franchise Agreement the following month by the 10th. If the fees you owe to us in any month ever exceed your Gross Revenues for that month, you must pay us the balance by the 17th of that month.

ITEM 7

INITIAL INVESTMENT

Expenditure (1)	**Amount**		**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
	Low	High			
Initial Franchise Fee (2)	$15,000	$15,000	Check, cash, or electronic transfer	At signing of Franchise Agreement	Us
Opening Kit (3)	$3,320	$3,820	Check, cash, or electronic transfer	6 months after commencement of operations	Us
Electronics/Smart Phone (4)	$0	$1,040	As Arranged	As Arranged	Third-Party Vendors or Suppliers
Business Licenses/ Permits (5)	$160	$850	As Arranged	Upon application	Cities, counties and Licensing Boards
Insurance (6)	$250	$1,180	As Arranged	Prior to issuance of policies	Insurance carrier
Training (transportation, lodging, etc.) (7)	$1,350	$7,250	As Arranged	When incurred	Hotels, travel agencies, restaurants
Computer and Office Supplies (8)	$290	$1,240	As Arranged	Upon delivery or per a payment plan	Third-Party Vendors or Suppliers
Office or Business Software and Internet Access (9)	$140	$1,700	As Arranged	When incurred	Third-Party Vendors or Suppliers
Professional Service Fees (10)	$100	$2,200	As Arranged	When incurred	Attorney, Accountant, other Professional

Expenditure (1)	**Amount**		**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
	Low	High			
					Advisors
Initial Advertising (11)	$250	$1,050	As Arranged	When incurred	Third-Party Vendors or Suppliers
Fixtures, furniture and other office furnishings (12)	$0	$230	As Arranged	When incurred	Third-Party Vendors or Suppliers
Additional Funds (3 months) (13)	$280	$18,720	As Arranged	As Incurred	Employees, vendors, etc.
Total: (14)	$21,140	$54,280			

Explanatory Notes:

1. We do not make any representation regarding whether any amounts paid to third parties are refundable. All amounts paid to us are non-refundable unless otherwise noted. Neither we nor any of our affiliates finance any of the initial investment, but we do defer collection of the Initial Fee Installment commencing 6 months after signing the Franchise Agreement as discussed in Item 5, and we do allow you 6 months to pay for the cost of the Opening Kit and 6-15 months to pay for the cost of supplemental supply bundles, which can be paid in 10 monthly installments.

2. Initial Franchise Fee. The Initial Franchise Fee is discussed in Item 5. We include the $15,000 of the Initial Franchise Fee due at signing. The balance of the Initial Franchise Fee is due in equal installments of $2,000 beginning 6 months after signing and then each May and December during the Initial Term.

3. Opening Kit. The Opening Kit is discussed in Item 5, and the range of costs is dependent upon the equipment, materials and supplies in the Opening Kit at the time you purchase it. We include the Opening Kit cost in this Initial Investment Chart although the payment is not due to us until six months after the commencement of operations. Therefore, depending upon when you open, you may not pay this amount until after a few months from signing your franchise agreement.

4. Electronics/Smart Phone. You will need a handheld smartphone device. Your handheld smartphone device must have the ability to send and receive emails, browse the Internet, and download and use applications from either the Apple or Android application store. If you already have a smart phone, then you will not incur any additional expense. The high estimate assumes you purchase the minimum viable Android smart phone currently on the market.

5. Business Licenses/Permits. You must obtain the operational licenses and permits required by applicable federal, state and local law. All required licenses and permits must be in place and in good standing at all times during the term of your Franchise Agreement.

6. Insurance. You will need general commercial liability insurance, automobile coverage as well as any coverage required by the schools and facilities where you operate. Our minimum

insurance requirements are discussed in Item 8. The insurance estimate is for the cost of deposit in order to obtain the minimum required liability insurance. The cost of coverage will vary based upon the geographic area in which your Franchise Business will be located, your risk management policies, the size and condition of your premises, anticipated revenue and customers and your and your personnel's years of experience in the industry, your deductible and limits, your creditworthiness, among other factors. You should also check with your insurance agent or broker regarding any additional insurance that you may want to carry. This estimate represents an estimated deposit of three (3) months of premiums and assumes you will not be required to prepay the annual premium.

7. Training. We do not charge you a fee for your Operating Principal and City Coach to attend Initial Training, but you are responsible for any travel and lodging expenses incurring by your attendees. The costs vary based on the number of trainees you send, how far you are located from our training facilities and whether we choose to hold Initial Training or any portion of Initial Training over Zoom or in your local area. The cost will vary depending on the distance you and your attendees must travel and the type of accommodations you choose. This estimate does not include the labor costs associated with you and your attendees' attendance at Initial Training.

8. Computer and Office Supplies. You will need an internet-capable home computer or laptop. More efficient computers are preferred but not required. Since you will be viewing background check information and customer data, a secure, personal computer is required. This estimate includes the cost for one computer and monitor printer. The estimate includes initial activation and setup fees. If you already have the necessary computer and office supplies, then you will not incur any additional expense. The high estimate is based on the minimum viable relevant supplies currently on the market.

9. Office or Business Software and Internet Access. You will need compatible software and you may want to purchase additional software, including Microsoft Office, a Bookkeeping application, internet access, and mileage tracking. Our low estimate assumes you already have the required compatibilities and internet access, and you forego some of the supplementary software. The high estimate assumes you outfit your Franchise Business with a full suite of computer software for managing your Franchise Business.

10. Professional Service Fees. These estimates are representative of the costs for engagement of professionals such as attorneys and accountants for the initial review and advice consistent with the start-up of a franchised business including the formation of the entity that will own the Franchise. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this Disclosure Document and the Franchise Agreement. The price depends on the specific professionals you select and what services each provides to you.

11. Initial Advertising. We strongly encourage you to undertake local advertising initiatives to promote your Franchise Business especially when beginning at new schools. This estimate includes the cost of email flyers, printed flyers, business cards and related promotional materials like car magnets and decals, associated with the Franchise Business. It does not include any paid Internet or other advertising which would increase your costs.

12. Fixtures, Furniture and other Office Furnishings. We expect that virtually all of our franchisees will operate their Franchise Business out of home offices and, therefore, will not incur expenses for real property. The chart estimates your costs and expenses for outfitting an already existing

room in your home as an office. We expect that virtually all of our franchisees will use their personal automobile for transportation and the cost of owning or leasing an automobile is not included in this amount.

13. Additional Funds. The estimate of additional funds is based on an approximation of expenses for the first three (3) months of operation, not including your owner's salary/draw and non-management expenses. The estimate of additional funds is based on our affiliate's experience in owning and operating The Knight School at locations in Houston, Texas and Birmingham, Alabama and the experience of TKS licensees, who have started businesses within the past three (3) years. We estimate that, in general, you may expect to put additional cash into the business during at least the first 3 months of operation and sometimes longer depending on when you achieve positive cash flow or profits from the Franchise Business. Anticipated additional funds include payroll expenses, gasoline for travel, additional marketing, rent or remittance fees paid to partnering schools and facilities, supplemental supply bundles, including additional chess supplies either purchased through us or third parties, Royalty Fees, Brand Fund Fees and other advertising expenses. This estimate does not include your living expenses. Cash flow from your operations may not be adequate to cover operating and other costs during the initial phase of business and your costs may be higher.

14. Total. You should not assume that you can open your Knight School for the lowest estimates in all categories. We relied on the experience of our affiliates, which own and operate The Knight School and our affiliate licensee operations to compile these estimates. We do not finance any of the Initial Investment other than the Initial Franchise Fee, Supply Bundles, Opening Kit, and credit card transaction fees as described in Item 5.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We and our owners and affiliates have spent considerable time, effort and money to develop the System. You must conform to our high and uniform standards of quality, appearance and service. We anticipate that our standards will change over time. You are expected to adhere to these changes. To ensure that you maintain the highest degree of consistency, quality and service, you must operate your Franchise Business in strict conformance with our methods, standards and specifications and obtain certain services, supplies, materials, equipment, and other products, advertising materials, computer hardware, and software, in strict compliance with our specifications and only from us, our affiliate or the authorized manufacturers, distributors, suppliers, vendors, merchants or providers designated or approved by us. Our methods, standards and specifications (the "System Standards") are prescribed in our operations manuals and other written manuals, guides, instructions and communications whether on paper, Internet or in other electronic format (together, the "Operations Manuals").

We reserve the right to implement quality assurance audit or otherwise establish a "mystery shopper" or "secret customer" program to anonymously evaluate your operations and if we do, you must participate in the program. A significant level of negative feedback from your customers or an unsatisfactory result of a mystery shopper or customer program or quality assurance audit will be a default under your Franchise Agreement, and we may require you to participate in remedial training.

OBLIGATION TO PURCHASE OR LEASE PRODUCTS OR SERVICES FROM US

We currently require you to purchase from us any items bearing the Marks (including your chess sets and t-shirts, polos, chess clocks, backpacks, giveaway stickers, metals, magnets, car decals and wristbands) and

your Opening Kit (the "Proprietary Supplies"). Otherwise, you do not have to purchase or lease any products, merchandise or services from us or our Affiliate. We offer you the option to purchase other supplies, equipment, and materials from us or our affiliate, but you are not required to do so. However, we reserve the right to require you at any time in the future to purchase any items for your Franchised Business only from us or from any affiliate. We reserve the right to earn a profit on any items sold to you. We are not obligated to provide you with any warranty for any item.

You must exclusively use our website, social media and e-mail hosting services for promotion and communications regarding your business.

OBLIGATION TO PURCHASE OR LEASE PRODUCTS, MERCHANDISE OR SERVICES FROM DESIGNATED OR APPROVED SUPPLIERS

In order to ensure that you adhere to the uniformity requirements and quality standards associated with all franchised locations, you must purchase or lease certain products, merchandise and services required for your Franchise Business from or a vendor or supplier we designate ("Approved Supplier(s)"). We have the right to require you at any time to purchase other products and services only from Approved Suppliers. We will provide a written list of all Approved Supplier for these products, merchandise and services. We will also notify you of any additions to or deletions from the list. We estimate that purchases of products, merchandise and services from Approved Suppliers will constitute 25% of your initial investment (accounting for the installment payments) and approximately 25% of your on-going annual expenses to operate your Franchise Business. We or our affiliates may be Approved Suppliers of certain products, merchandise and services.

As of December 31, 2025, we are the only Approved Supplier for Proprietary Supplies and one of the Approved Suppliers of laser pointers, drives, puppets, office supplies, projectors, speakers, and tripods, and other similar inventory. We will accept orders for you for supplemental packages of equipment, materials, merchandise and products for the operation of your Franchise Business in "Supply Bundles" on an as-needed basis subject to our terms and conditions of sale as described in our Operations Manual.

If you want to purchase products, merchandise or services subject to approved supplier requirements from a supplier that has not been previously approved by us then you must, at your expense, send representative samples or specifications of that supplier's goods or services and certain other information about the suppliers' products and business to us. We will have the right to inspect the supplier's facilities. You must reimburse us for any expense we incur if we conduct an inspection. Within 30 days after receiving the necessary samples and information, we will notify you in writing as to whether the supplier's products, merchandise or services comply with the uniformity requirements, quality standards and specifications established by us and whether the supplier's business reputation, delivery performance, credit rating and other relevant information are satisfactory. If you do not receive our response within the 30 day-time period, the request is deemed disapproved. We may not maintain written criteria for approving suppliers and therefore such criteria may not be available to you or your proposed suppliers. We may limit the number of approved items, services, and/or suppliers as we think appropriate. Other than us, there are no Approved Suppliers in which any of our officers owns an interest.

In 2025, we derived $32,679.74 in handling fees from the sale of Proprietary Supplies to our franchisees which represents 4.7% of our total revenue of $690,918.72 from 2025.

OBLIGATION TO PURCHASE OR LEASE PRODUCTS OR MERCHANDISE OR SERVICES THAT MEET OUR STANDARDS AND SPECIFICATIONS

All other supplies, equipment, advertising materials, software, hardware, electronics, products,

merchandise, apparel, and services that are used in the operation of your Franchise Business must be purchased according to our specifications and meet System Standards. The requirement is necessary to ensure that you adhere to the uniformity requirements and quality standards associated with all franchised locations. Our list of Approved Suppliers and specifications for required purchases including brand, model and type are in our Operations Manuals or other instructional materials we may provide to you prior to opening. We formulate and modify our System Standards based upon the collective experience of our franchisees, affiliates and our principals.

Advertising

Any and all advertising, marketing and promotional materials you wish to use must conform to System Standards. See Item 11 for specifications on advertising. The specifications that we have formulated are in our Operations Manuals. We may modify these specifications on written notice to you. We will consider your written request for a modification of a specification if you explain the reason for the requested modification and provide us with sufficient technical data to enable us to evaluate your request. We must approve any modification of a specification you propose and will make our reasonable efforts to provide you with notification of approval or disapproval within fifteen (15) days after receipt of your request which will be at our sole discretion. If you do not receive our response within the fifteen (15) day period, the advertising material is deemed disapproved.

Computer System

You must use the computer hardware and software systems, applications and web technologies that we periodically designate to operate your Franchise Business. You must obtain the computer hardware, software licenses, maintenance and support services, and other related services that meet our specifications from our Approved Suppliers. See Item 11 for specifications on computer systems.

Insurance

You also must obtain, before beginning any operations under the Franchise Agreement, and must maintain in full force and effect at all times during the term of the Franchise Agreement, at your own expense, the following insurance policies described in the Franchise Agreement and in our Operations Manual protecting you, us, our affiliate, and our respective officers, directors, City Coaches, partners, members, affiliates, subsidiaries and employees: Commercial General Liability insurance in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit; and by the time you hire your first employee: (i) Workers Compensation coverage as required by state law; and (ii) commercial automobile coverage (including hired and not owned coverage) in the an amount not less than $1,000,000 accident/occurrence, $2,000,000 aggregate. Additionally, at such time that your Franchise receives gross revenue of at least $300,000 in any calendar year, you are required to carry a sexual abuse, molestation and corporal punishment coverage by August 1st of the subsequent year in the amount of $100,000 per incident and $300,000 in the aggregate.

The policies must provide protection against any demand or claim relating to personal and bodily injury, death, or property damage, or any liability arising from your operation of the Franchise Business. All policies must be written by a responsible carrier or carriers whom we determine to be acceptable, must name us as additional insured under an endorsement we approve, must name us and our affiliates, and our respective officers, directors, City Coaches, partners, members, affiliates, subsidiaries and employees as additional insureds, and must provide at least the types and minimum amounts of coverage specified in the Franchise Agreement and the Operations Manuals. The types and limits of insurance required may be changed from time to time in the Operations Manuals and you must comply with any new insurance requirements. This may include but is not necessary limited to requirements for additional insurance

policies, such as Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage and/or Sexual Abuse and Molestation insurance. Additionally, we may designate one (1) or more insurance companies as the insurance carrier(s) for all franchisees. If we do so, we may require that you obtain your insurance through the designated carrier(s). We may also designate an insurance agency or broker as an Approved Supplier where you must procure your insurance from the designated agency/broker.

The cost will vary from state to state. These policies must be written by responsible insurance carriers rated "A" or better by the A.M. Best Company, Inc. and that are acceptable to us. Each certificate of insurance must include a statement by the insurer that the policy will not be canceled, subject to nonrenewal or materially altered without at least thirty (30) days' written notice to us. You must provide us with certificates of insurance, endorsements and declaration pages to each policy evidencing that we are named as an additional insured under any policy we require you to name us an additional insured and on an annual basis. On our request, you must promptly provide us with copies of all insurance policies together with proof of payment for insurance. The insurance policies must provide for a waiver of subrogation.

Vehicles

We expect that all vehicles used in the operation of the Franchise Business will be kept in good working order and be properly insured. You must have each person providing those services to comply with all laws, regulations and rules of the road and to use due care and caution operating and maintaining the motor vehicles.

We determine our standards and specifications at our sole discretion. We may modify our written standards and specifications and you must comply with any modifications. You will be responsible for ensuring that all products and services selected by you will continue to conform to the standards and specifications established by us.

REBATES, MATERIAL BENEFITS, COOPERATIVES; REVENUES FROM RESTRICTED PURCHASES

We may negotiate purchasing terms for franchisees from Approved Suppliers. We cannot guaranty, promise, represent, state or warrant that any Approved Supplier will offer or continue any particular pricing, warranty or other terms of sale. We may negotiate a continued supply of products from our Approved Suppliers, but cannot guaranty, promise, represent, state or warrant a continuing supply from any particular supplier. We are not under any obligation to you with respect to the terms negotiated or any supplier's terms. The arrangements we negotiate may include that Approved Suppliers pay us a sponsorship fee to help pay for the costs of an annual meeting or conference.

We do not discriminate against you or provide you with material benefits, such as renewal of your Franchise or grant you additional Franchises, based on your use of any particular Approved Supplier. We have no purchasing or distribution cooperatives in existence at this time. We may in the future form a purchasing or distribution cooperative and require you to become a member. Membership in a purchasing or distribution cooperative may require the payment of a fee in addition to other terms and conditions. We do not make any express or implied warranties with respect to any products or goods we recommend or require for your use.

The supplies or services that you are required to purchase according to our specifications or from Approved Suppliers are considered "required purchases." We and our affiliates reserve the right to earn revenue from Approved Suppliers, such as rebates or commissions, on account of their sales of any goods or services to our franchisees, including required purchases.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition / lease	None	None
(b) Pre-opening purchases/leases	Sections 6.1, and 7.1	Items 5, 7, 8 and 11
(c) Site development and other pre-opening requirements	Section 6	Item 11
(d) Initial and ongoing training	Sections 8.5 and 9	Item 11
(e) Opening	Section 6	Item 11
(f) Fees	Sections 6.1 and 8	Items 5, 6 and 7
(g) Compliance with standards and policies/Operational Manual	Sections 2.4, 4.4, 7, 11, and 13	Items 8, 11 and 14
(h) Trademarks and proprietary information	Sections 1.2, 10, 11.4, 13.1 and 15	Items 13 and 14
(i) Restrictions on products/services offered	Sections 1.3, 2.3, 11.2, 11.5, 11.6, 13.4 and 15.2	Items 8 and 16
(j) Warranty and customer service requirements	Sections 2.4 and 2.5	None
(k) Territorial development and sales quotas	Sections 2.2 and 2.4	Item 12
(l) On-going product/service purchases	Sections 2.4, 6, 11.3, 11.14, and 13.2	Items 6 and 8
(m) Maintenance, appearance and remodeling requirements	None	None
(n) Insurance	Section 11.10	Items 7 and 8
(o) Advertising and Marketing	Sections 12	Items 7 and 11
(p) Indemnification	Section 5.6	Item 6
(q) Owner's participation management/staffing	Section 4	Items 11 and 15
(r) Records/reports	Sections 6.5, 8.7 and 14	Items 6 and 11
(s) Inspections/audits	Section 14	Items 6 and 11
(t) Transfer	Sections 16 and 17	Items 6 and 17
(u) Renewal	Section 3	Item 17
(v) Post-termination obligations	Sections 18 and 19	Item 17
(w) Non-competition covenants	Sections 15	Item 17
(x) Dispute resolution	Sections 7, 8 and 22	Item 17
(y) Taxes/ permits	Section 11.1	Item 6

Obligation	Section in Franchise Agreement	Disclosure Document Item
(z) Computer hardware and software	Sections 7 and 8.11	Item 7

ITEM 10

FINANCING

At this time, we do not offer direct or indirect financing other than that deferring the collection of the Initial Fee Installment by 6 months after signing the Franchise Agreement as discussed in Item 5 and we do allow you 6 months to commence repayment of the cost of the Opening Kit and any Supply Bundles purchased before 6 months of operation. If you do order Supply Bundles within the first 6 months of operation, you must pay us back in equal payments for the following 10 months.

	Initial Fee Installment	Opening Kit and Supply Bundles Purchased within the First 6 months of Operation
Source of Financing	Us	Us
Amount Financed	$20,000	Varies depending upon amount of the Opening Kit and the cumulative amount of Supply Bundles purchased during time period, and if credit card and transaction fees are financed
Down Payment	None	None
Term	5 years	10 months
Rate of Interest plus finance charge	None	None
Monthly Payment	No payments for 6 months from commencement of operations, then $2,000 semi-annually.	No payments for 6 months from commencement of operations, then repayment of total amount in 10 equal monthly installments
Prepayment Penalty	None	None
Security Required	We have the right to file a UCC-1 Financing Statement.	We have the right to file a UCC-1 Financing Statement.
Guarantee	Personal guarantee from your owners of principal amount	Personal guarantee from your owners of principal amount
Liability upon Default	Termination of franchise; you must pay entire amount due and our attorneys' fees and court costs in collection debt	Termination of franchise; you must pay entire amount due and our attorneys' fees and court costs in collection debt
Loss of Legal Rights upon Default	None	None

When you sign the franchise agreement, you must also personally guarantee your franchise business's obligations such as paying back any supplies, for which we bill you, that you have ordered. No down payment is required for supplies and equipment, and there is no interest on the equal payments. There is no prepay penalty or security required. We do not place financing with any lender and, therefore, do not receive any payment for the placement of financing. We have not in the past and do not presently sell, assign, or discount to a third party, in whole or in part, any note, contract, or other instrument executed by any franchisee. We do not guarantee your note, lease or other obligations.

ITEM 11

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 Franchise Business, we will:

1. Identify your Designated Territory (Franchise Agreement, Section 2.2);

2. Provide Initial Training to your Operating Principal and City Coach, as described in this Item 11. (Franchise Agreement, Section 9.1);

3. Place your Franchised Business contact information on our Website (Franchise Agreement, Section 12.1);

4. Provide you a list of our Approved Suppliers (Franchise Agreement, Section 11.7);

5. Sell you an Opening Kit and any additional Supply Bundles (Franchise Agreement, Section 6);

6. During or prior to Initial Training, loan you a copy of our Operations Manual, which contains the information, methods, techniques, specifications and System Standards for the opening and operation of your Franchise Business (Franchise Agreement, Section 13.1). The Table of Contents of the Manual is attached as Exhibit E; and

7. Approving or disapproving any initial advertising or marketing materials, business forms, stationery, business cards or other forms you intend to utilize in connection with your grand opening or otherwise. (Franchise Agreement, Section 12.1).

We do not provide you with any assistance with respect to hiring or training your personnel, except that we will provide the Initial Training to your Operating Principal and City Coach.

We are the Approved Supplier for Proprietary Supplies and will sell you an Opening Kit and any additional Supply Bundles. We will provide a written list of all Approved Supplier for products, merchandise and services, signs, fixtures, opening inventory and other supplies and provide you written specifications for these items. For all Supply Bundles purchased through us, we will ship these items to you and you will pay the Handling Fee disclosed in Item 6. Other than this assistance, we do not provide any other assistance with providing equipment, signs, fixtures, opening inventory and supplies.

POST-OPENING ASSISTANCE

During the ongoing operation of your Franchise Business, we will:

1. Provide you with ongoing training as required (Franchise Agreement, Section 9.2);

2. Consult with you and advise you by mail, telephone or Internet concerning the System and from time to time and in our sole discretion, provide other resources and assistance as we may in the future develop and offer to all franchisees. (Franchise Agreement, Section 9.3);

3. Provide such continuing advisory assistance to you in the advertising and promotion of your Franchise Business as we deem necessary and appropriate in our discretion (Franchise Agreement, Sections 12.12 and 13.2);

4. Provide you with any updates to the Operations Manuals and any other instruction, operations criteria or manuals prepared by us for use by our franchisees in operating their Franchise Businesses (Franchise Agreement, Section 13.1);

5. Provide you with periodic newsletters of interest to you and your clients (Franchise Agreement, Section 6.4);

6. From time to time and in our sole discretion, maintain updated lists and provide updated lists to you of approved items of equipment, fixtures, inventory, and supplies and updated list of Approved Suppliers for those items (Franchise Agreement, Section 11.7).

7. Once and if formed, maintain the Brand Fund in accordance with the Franchise Agreement. (Franchise Agreement, Sections 8.4 and 12.4).

8. Design, update and host the Website (Franchise Agreement, Section 7.2).

9. From time to time and in our sole discretion, invite you to franchisee-oriented functions, seminars and annual meetings and conferences that we plan and sponsor. (Franchise Agreement, Section 9.4).

10. Periodically and in our sole discretion, specify minimum policy limits for certain types of insurance coverage and review, verify and/or approve proof of insurance and forms of additional insured endorsements. (Franchise Agreement, Section 11.10); and

11. If you meet the conditions listed in the Franchise Agreement, provide you with a financial stimulus lump sum upon completion of your initial Term of your Franchise Agreement (Franchise Agreement, Section 6.3).

Our individualized assistance to any franchisee (whether in person or by telephone, fax, or mail), is subject at all times to availability of our personnel. All of our obligations under the Franchise Agreement are to you only.

We do not provide assistance with respect to: (i) establishing and using administrative, bookkeeping, accounting and inventory control procedures, or (ii) hiring or training your personnel, except that we will provide Continuing Training and Additional Training, as scheduled.

We will provide you with recommended prices for products and services. You shall establish prices in your sole and absolute discretion.

MARKETING AND PROMOTION

Except for our obligations related to the maintenance and expenditure of monies in the Brand Fund, we are not required or obligated to conduct any advertising. We have the right to modify the source of advertising at any time. We and our affiliates reserve the right to be the exclusive suppliers of the advertising materials used in the System. We are not required to spend any amount for advertising in your Designated Territory. (Franchise Agreement, Section 12.7).

We have the right to direct all advertising and promotional programs and activities, and the right to control and approve all the concepts, materials and media used in such programs and activities. We may work with an outside local, regional or national advertising agency in developing advertising and marketing creative material for print, radio, television, yellow pages, social media, public relations, media relations and/or other avenues as we deem appropriate or we may prepare the materials ourselves in-house. We may periodically provide you, at your expense, with consumer marketing plans and related materials for use at the local or regional level. We may periodically furnish you with samples of advertising, marketing and promotional formats and materials templates which you will then have the right to copy at your expense. (Franchise Agreement, Section 12.5).

We must approve all of your advertising, marketing and promotion. You may not develop advertising materials for your own use, even at your own cost unless we approve them. See Section 12 of the Franchise Agreement.

ADVERTISING COUNCILS AND COOPERATIVES

We have the right to establish and disband advertising councils or advertising cooperatives if, in our sole judgment, it will benefit the System. You must abide by the rules and guidelines that we may establish in the Manuals regarding such councils or cooperatives. See Section 12.8 of the Franchise Agreement.

LOCAL ADVERTISING

We do not currently have a local advertising requirement ("LAR") but we may require that you spend up to 1% of monthly Gross Revenues on local marketing and advertising commencing upon the opening of your Franchise Business each month. You must submit evidence of your expenditures to us on a monthly basis as outlined in the Operations Manual. We may increase the LAR in our sole discretion up to 1% of Gross Revenue for each month. We will provide you thirty (30) days' advance written notice before increasing the Local Advertising Requirement. (Franchise Agreement, Sections 12.2). You may develop advertising materials for your own use at your own expense, but you may not use any advertising materials unless they are approved in advance in writing by us. (Franchise Agreement, Section 12.1). All advertising, promotion and marketing must be completely clear, factual and not misleading, conform to the highest standards of ethical marketing, and comply with the promotional policies we establish. Samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted for approval before you may use them. If you do not receive written approval from us within fifteen (15) days after we receive the materials, the materials are deemed not approved. You may not use any advertising or promotional materials that we have not approved or disapproved. (Franchise Agreement Section 12.1).

You must promptly discontinue use of any advertising, marketing or promotional plans or materials, whether or not previously approved, on notice from us. We may require you to place advertising in specific

media, such as print, social media and direct mail, and determine what percentages of your advertising spend should be allocated to each medium. All use of any of the Marks must meet all System Standards. (Franchise Agreement, Section 12.1).

We reserve the right to require you to include certain language in your local advertising materials, such as "Franchises Available" and the addresses of our Website and phone number.

In addition to your Local Advertising Requirement, you may wish to use web based platforms such as Facebook, Twitter, LinkedIn, TikTok, Pinterest, Instagram, YouTube, Snapchat, Yelp, Google+, blogs and other networking and sharing sites ("Social Media Platforms") or use any material on any Social Media Platform that makes use of our IP, Marks, name, brand, products or your franchise whether created by us, you or a third-party ("Social Media Materials"). You may not use a Social Media Platform or Social Media Materials without our prior written approval and such platform or materials must comply with the restrictions and requirements described below in this Item 11 under "Websites."

BRAND FUND

When formed, you are required to contribute up to two percent (2%) of your Gross Revenue to the Brand Fund as your Brand Fund Fee. We may increase the Brand Fund Fee in our sole discretion. We will provide you thirty (30) days' advance written notice before increasing the Brand Fund Fee. Amounts paid into the Brand Fund are expended for purposes relating to advertising, promotions and marketing of goods and services provided by us related to the System. (Franchise Agreement, Section 12.5).

We or our designee will direct all advertising and promotional programs and activities and the concept, materials and media used in such programs and activities. The Brand Fund is intended to maximize general public recognition and acceptance of the Marks and the System. We cannot ensure, and have no obligation to ensure, that expenditures by the Brand Fund in or affecting any geographic area will be proportionate or equivalent to the contributions to the Brand Fund by franchisees operating in that geographic area or that any Franchised Business will benefit directly or in proportion to its contribution to the Brand Fund from the development of advertising and marketing materials or the placement of advertising. We have no other direct or indirect liability or obligation to you regarding the collection of amounts due to, or maintaining, directing or administering, the Brand Fund. (Franchise Agreement, Section 12.7). Each company or affiliate owned location will contribute to the Brand Fund on the same basis as you.

We determine, in our discretion, the manner in which the Brand Fund is spent. The Brand Fund will be used to meet any and all costs of maintaining, administering, directing and preparing advertising and promotional activities (including without limitation, the cost of preparing and conducting television, radio, magazine, and newspaper advertising campaign; direct mail and outdoor billboard advertising; Internet advertising including via the Website; marketing surveys and other public relations activities; advertising agencies; and promotional brochures and other marketing materials for The Knight School businesses operated under the System). We have the right to reimburse ourselves out of the Brand Fund for the total costs (including labor and indirect costs) of developing, producing and distributing any advertising materials and administering the Brand Fund Fee (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any Brand Fund Fee). (Franchise Agreement, Section 12.6). We are not required to audit the Brand Fund. We are not required to keep Brand Fund Fee segregated in a separate account and they may be commingled with general operating funds, however, we will account for it separately (Franchise Agreement, Section 12.6).

Any unspent accrued Brand Fund Fee for any calendar year will be used in a subsequent calendar years. We are not required to provide franchisees with periodic accounting of the Brand Fund, including the fees paid into the by franchisees, but if we do prepare an accounting of the Brand Fund we will make it available

to you upon your written request that must be submitted to us. If we advance any amount to the Brand Fund, we will be entitled to be reimbursed for any such advances. Although the Brand Fund is intended to be perpetual, we may terminate the Brand Fund at any time and we have no obligation to maintain the Brand Fund in perpetuity. If the Brand Fund is terminated, all unspent monies on the date of termination will be distributed to franchisees in proportion to their respective contributions to the Brand Fund during the preceding twelve (12) month period. (Franchise Agreement, Section 12.4).

We will not use any monies from the Brand Fund for the preparation of franchise sales solicitation materials although we reserve the right to include "Franchises Available" or similar language with our contact information on any advertising purchased or created by the Brand Fund. (Franchise Agreement, Section 12.5).

As of December 31, 2025, we have not yet created a Brand Fund. Therefore, we have collected no Brand Fund Fees and have had no expenditures from the Brand Fund.

GRAND OPENING ADVERTISING

You are not required to spend any initial minimum amount on grand opening advertising to promote the opening of your Franchise, but you are encouraged to do so. Grand opening advertising expenditures may include digital advertising, print advertising, flyers and announcements in school brochures, newsletters and email blasts, grand opening events and booths at community events, but all grand opening advertising, marketing and promotional expenditures must be pre-approved by us in writing. (Franchise Agreement, Section 12.3).

CONFIDENTIAL OPERATIONS MANUAL

For the duration of the Franchise Agreement, we will grant you electronic access to the Operations Manuals or make them available to you by paper, Internet or electronic format. The Operations Manuals contain mandatory and suggested specifications, standards and operating procedures. The Operations Manuals are highly confidential, are on loan to you and remain our property. We may revise the Operations Manuals from time to time by posting the revisions electronically or by letter, memorandum, bulletin, videotape, audiotape, diskette, CD ROM, electronic mail or by other written or electronic communication, including the Internet. You must abide by all revisions. You are prohibited from copying or distributing the Operations Manuals in any manner whatsoever. You must only use the information contained in the Operations Manuals to manage and operate the Franchised Business and may not use such information for any other purpose. (Franchise Agreement, Sections 13.1). The total number of pages of our Operations Manuals and Table of Contents are listed on Exhibit E and is currently 325 pages.

SITE SELECTION METHODS

No site selection assistance is provided since most of our franchisees operate the Franchise Business from home offices.

COMPUTER REQUIREMENTS

You must install and maintain a general purposes computer. The computer must have access to the Internet and be equipped with computer hardware components, accounting, bookkeeping, word process and other software we require, and peripherals (such as printer and scanner) that we require and that meet our specifications and Systems Standards set forth in the Operations Manual ("Computer System"). You must use an accounting system capable of generating sufficient accounting reports and information that we require from time to time. If you do not own a computer that meets the System Standards described in our

Operations Manual, then you may to need purchase or lease a Computer System in accordance with our specifications and from Approved Suppliers.

Your computer system must at all times be compatible with ours and shall permit us to retrieve attendance, financial and other information that we deem necessary and appropriate. You must assist us in bringing your system on-line with our home-office computer at the earliest possible time and maintain this connection, as we require. We will not have unlimited access to your computer system. You computer system must include internet access. You will need to update your computer system from time-to-time to ensure it remains compatible with our systems and requirements. We estimate that the Computer System will have an initial cost between $430 to $2,940.

You must purchase and maintain the smart phone that meets our specifications to facilitate attendance and scheduling system for your various schools and facilities. The cost of your smart phone will depend on your wireless telephone carrier and the contract that you choose. We may require you to download and install certain mobile applications in connection with the operation of your Franchised Business. We estimate that the initial cost for a smartphone and required applications will have an initial cost between $0 and $1,040 depending upon whether you already own a personal smartphone that can be used in the operation of our Franchise Business.

In the future we may require different systems or permit the use of different systems depending on the size of your Franchised Business, whether you operate in multiple Designated Territories and the size of your Designated Territory. We reserve the right to discontinue any service or support we may offer for any system at any time for any reason or change any required vendors for the products or services at any time for any reason. You must replace, upgrade and maintain these systems at your sole expense. (Franchise Agreement, Section 11.2).

Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, data related problems and attacks by hackers and other unauthorized intruders ("E-Problems"). We do not guarantee that information or communication systems we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify your suppliers, lenders, landlords, customers, and governmental agencies on which you rely, have reasonable protection from E-Problems. This may include trying to secure your Computer Systems (including firewalls, password protection, and anti-virus systems), and to provide backup systems.

We are not obligated to provide or assist you in obtaining any of the above items or services.

TIME TO OPEN

It is estimated that it will take approximately 60-180 days following your signing of the Franchise Agreement to open a Franchised Business, but may occur earlier or later depending on the actual time required for you to accomplish items including, but not limited to: completing Initial Training (including observation hours and successfully passing a final exam), obtaining the necessary required materials, inventory, stock, including Opening Kit, and hiring and training personnel.

If you sign the Franchise Agreement between January 1st and April 30th of a given year, then you must be commence operations of your Franchise Business on or before September 30th of that same year. If you sign the Franchise Agreement between May 1st and December 31st of a given year, then you must commence operations no later than September 30th of the following year.

You must obtain our prior written consent before the opening of your Franchise as outlined in the Operations Manual. You may not open your Franchise Business until: (1) you secure the minimum required insurance; (2) your Operating Principal and City Coach complete initial training to our satisfaction (including observation hours and successfully passing a final exam); (3) all amounts owed to us have been paid; (4) you have acquired all required permits, licenses, or third-party consents; (5) you have obtained your Opening Kit; and (6) you receive notice from us in writing that you satisfied all pre-opening obligations. You must be prepared to open once we confirm in writing that you met each of these requirements and are permitted to commence opening.

WEBSITES

You will not have any right to host the Website, however, you will be provided a listing on our Website designated for your Franchise Business that you must prepare in accordance with our System Standards. All content is subject to our prior written approval. The Website will contain information on the Products offered by Franchise Business. The Website may also contain information on the awards and achievements of us, our franchisees and our affiliates. The Website and its content is updated based upon our judgment of what is appropriate and all changes, deletions and additions are at our sole discretion. We may restrict, limit, control or designate nearly every aspect of your use of websites, the Internet, intranets, worldwide web home pages or e-mail, and require you to participate in a centralized website. Neither you, nor any of your Owners or employees, are permitted to use an e-mail address that is not associated with our URL for your Franchise Business. (Franchise Agreement, Section 7.2). You may not establish any website, blog, Facebook page, Twitter account, email distribution list, YouTube account, Instagram account, Snapchat account, or other Social Media Platform, World Wide Web or Internet-based presence which uses or displays any of our IP (whether Social Media Materials or otherwise) without our prior written consent, and, at our sole option, you will take such action necessary to cause certain websites or other Social Media Platforms, including, but not limited to, Facebook, Twitter, Instagram, YouTube, Snapchat, and other such mediums, currently in existence or developed in the future, to assign primary administrative rights to us for your Franchise Business. We will then, in our sole discretion, provide you with subordinate administrative access to, and guidelines for your use of, such mediums, so that you may promote your business locally. We also have the right to request that you turn over all passwords to any Social Media Platforms or similar internet-based mediums immediately upon creation. Upon termination or expiration of the Franchise Agreement, we will remove your administrative access, and we retain ownership and control of all content created during the term of the Franchise Agreement. (Franchise Agreement, Section 10.1).

TRAINING

We provide initial training for your Operating Principal and City Coach ("Initial Training") at no charge so long as the attendees attend Initial Training at the same time and prior to the commencement of operations. Although we do not charge a fee for the Initial Training for up to two (2) people, which must include your Operating Principal and City Coach, you will be responsible for all expenses, including costs and expenses of transportation, lodging, meals, and wages and employee benefits for your trainees.

We conduct training on an as needed basis. We reserve the right to modify any aspect of our training program to accommodate the needs or experience of any individual trainee. You are responsible for all travel and expenses associated with the training program. The initial training program must be completed promptly, and you are expected to participate and satisfactorily complete your initial training at least 7 days prior to opening your Franchise Business. The instructional materials consist of the Operations Manual and additional materials. Your Operating Principal and your City Coach must complete the training program to our satisfaction. If your Operating Principal or your City Coach do not complete the training to our satisfaction, we may require you to recomplete it at your own expense until you have completed it to our satisfaction. There are no required additional training programs. We have the right to require that any new

City Coach complete our training program to our satisfaction.

TRAINING

Subject	Minimum Hours of Classroom Training	Minimum Hours of on-the-job Training	Location
Business Overview and Philosophy	1		Birmingham, Alabama, Houston, Texas, online, and/or such other location(s) as we may designate.
Administration Procedures including accounting, legal considerations, bookkeeping, insurance, and computer-programs	1		Birmingham, Alabama, Houston, Texas, online, and/or such other location(s) as we may designate.
Customer Service and Quality Control	1		Birmingham, Alabama, Houston, Texas, online, and/or such other location(s) as we may designate.
Child Development and Classroom Management		5	Birmingham, Alabama, Houston, Texas, online, and/or such other location(s) as we may designate.
Safety Procedures	1		Birmingham, Alabama, Houston, Texas, online, and/or such other location(s) as we may designate.
Initial Chess Training	1		Birmingham, Alabama, Houston, Texas, online, and/or such other location(s) as we may designate.
TKS Services	3		Birmingham, Alabama, Houston, Texas, online, and/or such other location(s) as we may designate.
Sales, Marketing, and Growth	1	2	Birmingham, Alabama, Houston, Texas, online, and/or such other location(s) as we may designate.
Supply and Equipment Procedures	1		Birmingham, Alabama, Houston, Texas, online, and/or such other location(s) as we may designate.
Recruiting, and Selection	1		Birmingham, Alabama, Houston, Texas, online, and/or such other location(s) as we may designate.
Training Staff	1		Birmingham, Alabama, Houston, Texas, online, and/or such other location(s) as we may designate.
Managing Staff and Leadership	1		Birmingham, Alabama, Houston, Texas, online, and/or such other location(s) as we may designate.
Daily Planning	1		Birmingham, Alabama, Houston, Texas, online, and/or such other location(s) as we may designate.
Totals:	14	7	

Total Hours of Training: 21

Depending on the date you begin, your initial training location will either be Birmingham, Alabama, Houston, Texas, online, or such other location(s) as we may designate. Exact locations and timing of trainings will be scheduled after a fully executed Franchise Agreement.

EXPERIENCE OF TRAINING INSTRUCTORS

Training is conducted primarily by David Brooks and by various members of our staff. David Brooks directs the content, materials, and format of all initial training activities. See Item 2 for additional background information for David Brooks. David Brooks may designate one or more various staff or directors of The Knight School America to facilitate your specific training, including KJP Enterprises, or any individual listed in Item 2, or he may facilitate part or all of the training himself. Details will be decided for each franchisee on a case-by-case basis. However, all trainers will have at least 2 years experience in the subject they are teaching.

CONTINUING, SUPPLEMENTAL, ON-SITE & REFRESHER TRAINING

You are required to attend continuing and refresher training courses as we designate, currently up to one week or 40 hours of training courses in each calendar year during the Initial Term of your Franchise Agreement and every other calendar year during any Renewal Term of the Franchise Agreement. These courses will be mandatory for your Operating Principal and City Coach. These courses will be conducted at our training facilities, at your Franchise Business or virtually via Teams, Zoom, WebEx, Skype, or other conference calls. You will pay us our then-current fee, which is currently $1,500 per attendee or $250 per attendee per day. You will also be responsible for all of your attendees expenses and costs including transportation for any continuing, additional or required training courses held in person or our trainers' travel costs if any training is provided on-site. We also reserve the right to impose reasonable charges for training materials in connection with continuing, supplemental, additional or required training courses. We will notify you of any additional charges before you or your employees enroll in a course. (Franchise Agreement, Section 9.2). Failure to attend any required continuing or required training is a default under the Franchise Agreement. (Franchise Agreement, Section 18.2).

REMEDIAL TRAINING

You will be responsible for all of our expenses and costs including transportation and meals of our personnel if we determine, in our sole discretion, that we need to provide required training to your Owners, your Operating Principal or City Coach (1) because we determine it is necessary or appropriate, in our sole discretion, to protect the quality, integrity and/or reputation of the System, including, without limitation, because you are in default of the Franchise Agreement or otherwise in violation of our System Standards; (2) because you fail to attend the annual conference; or (3) upon a change in your Operating Principal or City Coach. You will also pay us our then-current fee, which is currently $1,500 per attendee (Franchise Agreement, Section 9.2). Failure to attend any required remedial training is an additional separate default under the Franchise Agreement. (Franchise Agreement, Section 18.2).

MEETINGS, CONVENTIONS & CONFERENCES

We may in our discretion also conduct seminars or hold periodic meetings or conferences from time-to-time for the benefit of all franchisees. You must pay for all of your associated expenses, including the expense of salaries, travel, meals, lodging, and miscellaneous expenses of your personnel attending such seminars, meetings or conferences. We reserve the right to charge a registration fee for our meetings or

conferences in an amount not to exceed the actual cost per attendee for such conference up to a maximum of $2,500 per attendee (Franchise Agreement, Section 9.4). Your failure to attend mandatory seminars, meetings or conferences will be treated as a default under the Franchise Agreement. (Franchise Agreement, Section 18.2).

ON-SITE TRAINING

Any time after the end of your Trial Period, upon our written request with at least two (2) weeks' notice for up to three (3) calendar days or twenty-four (24) hours per calendar year, your Operating Principal and City Coach must allow another City Coach of the System from another Business and Designated Territory to visit and observe your work for the purpose of learning from you. You agree to, during each of these visits, provide your best efforts to facilitate their learning. (Franchise Agreement, Section 9.2).

CUSTOMER SATISFACTION

We will assess your customers' satisfaction with your service using a system defined in our Operations Manual, which at this time is based on the "Net Promoter Score" system. Failing to achieve a passing score ("Minimum Performance Standards") results in your default with one opportunity to cure the following semester. See Section 2.4 of the Franchise Agreement.

ITEM 12

TERRITORY

We grant you the right to operate one in-person Franchise Business within an exclusive designated territory as specified in your Franchise Agreement ("Designated Territory"), which we approve and determine. We determine the Designated Territory in our discretion and it is usually based on the density of the area, personal income and other factors, including children living in households with certain minimum household incomes. Your Designated Territory, which is defined by us, will consist of a list of one or more designated contiguous zip codes. The population information we will use to derive your territory will be calculated from the most recent census data and other data available to us. The minimum size of the Designated Territory 100,000 kids under the age of 12 according to the most recent publicly available US Census data at the time of the signing of the Initial Term of the Franchise Agreement.

You will provide your services on site within your Designated Territory so you will not have a designated approved location for your Franchise offices or headquarters. Our franchisees typically operate the administrative (non-service component) of the franchise out of a home office.

If you are in compliance with the Franchise Agreement, including meeting the Minimum Performance Standards, we will not operate a company-owned location under the System or grant franchises for a business offering instructional chess classes within your Designated Territory. If you do not meet the bi-annual Minimum Performance Standards for 2 consecutive school semesters or if you are in default with the Franchise Agreement without cure for another reason, your territorial protection in the Designated Territory will cease, and we may sell franchises or establish company-owned locations utilizing the System within the Designated Territory. If any of your Designated Territory has not been cultivated by the end of the term of this Agreement, The Knight School may, in its sole discretion, exclude the non-Cultivated Territory within your Designated Territory for any subsequent franchise term. You are not granted any other rights.

We do not maintain minimum revenue you must generate or customers you must service to retain your territorial protection.

You are prohibited from directly marketing to or soliciting customers whose principal residence is outside of your Designated Territory. If you renew your Franchise, your Designated Territory may be modified depending on the then-current demographics of the Designated Territory and on our then-current standards for territories.

We, and our affiliates, have the right to operate, and to license others to operate, The Knight School businesses at any location outside the Designated Territory, even if doing so will or might affect the operation of your Franchised Business. We retain the right, for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights:

1. to own, franchise or operate The Knight School businesses at any location outside of the Designated Territory, regardless of the proximity to your Franchised Business;
2. to use the Marks and the System to sell any products or services similar to those which you will sell, through any alternate channels of distribution within or outside of the Designated Territory. This includes, but is not limited to, other channels of distribution such as television, catalog sales, wholesale or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;
3. to use and license the use of other proprietary and non-Marks or methods which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business, at any location, including within the Designated Territory, which may be similar to or different from The Knight School business operated by you;
4. to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your The Knight School business, wherever located;
5. to organize, promote, and operate, directly or through our affiliates, an annual national tournament and related programming known as "The Knight School Nationals" within the Designated Territory each calendar year, which will be operated by us and not by any franchisee;
6. to acquire and convert to the System operated by us, any businesses offering products and services similar to those offered by The Knight School businesses, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately-owned and whether located inside or outside of the Designated Territory; and
7. to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing program.

If your franchise offers virtual or online services within your Designated Territory, then your Designed Territory includes those customers whose then-current primary residential home addresses are located within the Designated Territory at the time of initial enrollment for such virtual services. If a prospective customer is interested in virtual services and not located within any franchisee's designated territory or if subsequently relocates outside your Designated Territory, then you must comply with our policies and procedures regarding the designation of virtual or online students.

We are not required to pay you if we exercise any of the rights specified above within your Designated Territory.

If you wish to purchase an additional The Knight School franchise, you must apply to us, and we may, at our discretion, offer an additional The Knight School franchise to you. We consider a variety of factors when determining whether to grant additional The Knight School franchise. Among the factors we

consider, in addition to the then-current requirements for new The Knight School franchisees, are whether or not the franchisee is in compliance with the requirements under their current franchise agreement.

Unless specifically agreed with you in writing, our grant of the Franchised Business does not include any option or promise to allow you to purchase any additional franchises or to expand your Designated Territory contiguously or elsewhere.

You are restricted from soliciting, promoting or advertising for business outside of your Designated Territory. We make no guarantees, promises, representations, statements or warranties that other franchisees will not advertise or market to customers within your Designated Territory. We, in our sole discretion, may enforce the advertising and marketing restrictions indicated in this Item, but we are under no obligation to do so. Under no circumstances will we be liable to you if other franchisees market or advertise to customers within your Designated Territory. Other franchisees may advertise and market within your Designated Territory if the advertising or marketing is not specific to your Designated Territory (for example, advertising in a newspaper with general circulation). Neither we nor our affiliates have a plan to operate a franchise under a different trademark that offers services and products similar to the Products, but we reserve the right to do so in the future.

You may relocate your Franchise Business only with our prior written approval. We may consent to the re-location of your Franchise Business based on your Franchise Business's existing financial performance, the quality of the proposed availability of a new designated territory where you wish to relocate, and other criteria used to consent to a relocation of Designated Territory, however, we do not have to accommodate any relocation. You must reimburse us for our costs and expenses included in connection with any relocation request. Aside from cases of force majeure, the new Franchise Business location must be open and operating prior to the closure of your current location.

ITEM 13

TRADEMARKS

We grant you the non-exclusive right to operate a Franchise Business under our Marks. You will receive a license to use our Marks as we direct. You may not use our Marks to sell unauthorized products or services, nor in any other unauthorized manner. You must follow our rules when you use our Marks. You may use the Marks we license to you as part of a fictitious name, but not as part of a corporate, partnership or other legal name. You may not directly or indirectly contest our ownership or rights in the Marks.

MARK	REGISTER	REGISTRATION DATE	U.S. TRADEMARK REGISTRATION NUMBER
THE KNIGHT SCHOOL	Principal	December 11, 2012	4,256,914

Registrations

The Mark "The Knight School"®" was first used by Brooks in connection with teaching the game of chess to children in August 2008. The Mark is registered on the Principal Register of the United States Patent and Trademark Office ("USPTO").

All affidavits and renewals required to be filed have been filed. The Marks have not been registered or filed for registration in any state.

Proceedings

There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, the Trademark Administrator of any state or any court. There are no currently pending infringement, opposition or cancellation proceedings. There is no currently pending material litigation involving the Marks. There are no decided infringement, cancellation or opposition proceedings where Brooks unsuccessfully fought to prevent registration of a trademark in order to protect the Marks we license.

Agreements

We have the right to license the Marks pursuant to an Intellectual Property License Agreement with Brooks. The term of the Agreement is 50 years commencing on October 24, 2014.

There are no other agreements currently in effect that would significantly limit our right to use or license the use of the Marks in any manner material to the franchise. Upon expiration or termination of the license agreement, Brooks may assume our obligations under the Franchise Agreements then in effect.

Use of the Marks

We grant to you the right to operate a Franchise Business under the name "The Knight School" and to use the Marks so long as you are in compliance with the terms of the Franchise Agreement. We will enter into a License Agreement to grant you the use the Marks for the operation of your Franchise Business. You have no other rights in the Marks. You must use the Marks in the manner we direct. You cannot use the Marks for any other purpose.

You must follow our rules when you use the Marks. You may not use the mark "Knight School" or any other Marks or Intellectual Property in your own corporate or other legal name. We must consent to your corporate name and all fictitious names under which you propose to do business in writing before use. You must use your corporate or limited liability company name either alone or followed by the initials "D/B/A" and the business name "The Knight School" or "The Knight School _____" (insert location name). You must promptly register at the office as provided for by the laws of the state in which your Franchise Business is located or if required at the office of the county in which your Franchise Business is located, as doing business under such assumed business name.

We or our affiliates are the lawful and sole owner of the domain name: www.theknightschool.com You cannot register any of the Marks now or in the future owned by us or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar, as Internet domain names. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue use of a website, including the Website, using the Marks. Except as we may authorize in writing in advance, you cannot: (i) link or frame our Website, (ii) conduct any business or offer to sell or advertise any Products on the worldwide web, or (iii) create or register any Internet domain name in connection with your Franchise Business.

You may use only the Marks which we designate, and may use them only in the manner we authorize and permit. Any goodwill associated with the Marks, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit remains our property. You may use the Marks only for the operation of a Franchise Business or in advertising for the Franchise Business.

You must use all Marks without prefix or suffix and in conjunction with the symbols "SM," "S," "®," or "™" as instructed by us. You may not use the Marks in connection with the offer or sale of any services or Products which we have not authorized for use in connection with the System.

Infringements

You will be obligated to notify us of any unauthorized use, suspected use or claim to use the Marks, the use, suspected use or claims of rights to the Marks by third parties or the use or suspected use by any third party of confusingly similar Marks. You do not have the right to take any action to enforce or defend any rights associated with the Marks. Upon such notification, we have the right to decide whether or not to take affirmative action. We reserve the right, but are not required, to protect your right to use the Marks. We do not have any obligation under the Franchise Agreement to protect you against or reimburse you for any damages that you are held liable in any proceeding from your use of the Marks. We have the right to control any administrative proceedings or litigation arising from any affirmative action that we may choose to commence. In the event that we engage in any litigation in the defense or prosecution of the Marks, we will bear all costs and expenses incident to such litigation, unless the litigation involves your violation of the Franchise Agreement's provisions relating to the Marks. You agree to execute any and all documents and do such acts and things as may be necessary or desirable, in the sole opinion of our legal counsel, to carry out such defense or prosecution. If requested, you must participate in the litigation matter involving the defense of the Marks. You are not entitled to any compensation as a result of the discontinuation or modification of any of the Marks as a result of any proceeding or settlement. If you elect to be represented by personal legal counsel in connection with any proceeding involving the Marks, you will bear the fees, expenses, and other costs associated with such personal legal counsel.

You must also agree not to contest our interest in the Marks and other trade secrets. You acknowledge that the Marks are valid and are our sole property. You cannot, either during or after the term of the Franchise Agreement, do anything, or aid or assist any person to do anything, which would infringe upon, harm, or contest our rights in any of the Marks. You further must agree not to hinder or prevent us from using or franchising the Marks in any jurisdiction.

Changes to the Marks

If we determine that it becomes advisable for us and/or you to modify or discontinue the use of any Mark and/or use one (1) or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. You will pay the expense of changing your Franchise Business signage or branded materials. Further, we will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

Infringing Uses

We do not know of any infringing uses that could materially affect your use of the Marks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

PATENTS

There are no patents that are material to the System.

COPYRIGHTS

We own no rights in or to any copyrights which are material to the franchise. We claim copyright protection of our Operations Manual and related materials, our form Franchise Agreement and advertising and promotional materials. Although these materials have not been registered, they are considered proprietary and confidential and are considered our property. You must use them only as provided in the Franchise Agreement.

We are not required by the Franchise Agreement to protect or defend copyrights. You must return the Operations Manual and any other confidential information upon the termination or expiration of the Franchise Agreement.

There currently are no effective determinations of the United States Copyright Office or any court regarding any copyrights, nor are there any currently effective agreements between us and any third parties pertaining to any copyrights that will or may significantly limit your use of any copyrighted materials. Upon any infringement of or challenge to your use of any copyrighted work, you are obligated to immediately notify us. We have sole discretion to take any action we deem appropriate.

We have the right to direct and control any administrative proceeding or litigation involving our copyrights, including any settlement.

If we deem it advisable to modify or discontinue use of any copyrighted work and/or use one or more new or derivative copyrighted works, you are obligated to do so. We have no obligation to you in this event.

We are not required by the Franchise Agreement to defend you against any infringement, unfair competition or other claim respecting your use of any copyrighted work. There are no infringing uses actually known to us that could materially affect your use of our copyrights in any state.

Confidential Information

Our confidential information will include all non-public information about us, or affiliate, our franchisees, our suppliers and the System, including but not limited to, the Operations Manuals; System Standards; services; methods for operating, managing, developing or coordinating services, marketing, distribution, performance, provision or rendering of methods, techniques, equipment or supplies; recruitment, training, marketing or compensation methods; advertising, marketing, promotion, recruitment, human resourcing, training, sales and merchandising strategies, techniques and initiatives; any related underlying materials, analyses, compilation, forecasts, research or market studies; our prototype and layout of a Franchise Business; proprietary software (if applicable); customer lists and Customer Data (as defined in the Franchise Agreement); referral sources; training materials and class instruction, including, without limitation, additional training provided through webinars or online training videos; billing and collection methods; financial information; and other information about us and information about our Approved Suppliers; and strategic partners, business plans, employees and independent contractors (collectively, the "Confidential Information").

You may never – during the initial term, any renewal term, or after the Franchise Agreement expires or is terminated – reveal any of our Confidential Information to another person or use it for any purpose other than to operate your Franchise Business. You may not copy any of our Confidential Information or give it to a third party except as we authorize. We require all persons who attend any Discovery Days or have access to our Confidential Information to sign a confidentiality agreement in the form attached to this Disclosure Document as Exhibit J. All of your Owners, your Operating Principal, your City Coach and anyone who completes any of our training programs (subject to applicable law) must sign a Non-Compete,

Confidentiality and Non-Solicitation Agreement in the form attached to the Franchise Agreement as Exhibit C-1. All persons affiliated with or employed by you and to whom you grant access to Confidential Information or who attend training (including all officers, directors, equity holders and instructors) must sign a confidentiality agreement in the form attached to the Franchise Agreement as Exhibit C-2.

All ideas, teaching and instruction methods, techniques and other newly developed information or materials relating to a Franchise Business, whether or not constituting protectable Intellectual Property, and whether created by or on behalf of you or your Owners, Operating Principal, City Coach, or employees, must be promptly disclosed to us, will be considered our property and part of the System and will be considered to be works made-for-hire for us. You, your Owners, and your employees must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in these ideas, concepts, techniques or materials. You will not receive any form of compensation or consideration in exchange for ideas, concepts, techniques, and other newly developed information or materials relating to a Franchise Business which you develop.

Customer Data

All information, mailing lists and databases of Customer Data (as defined in the Franchise Agreement) from whatever source derived, will, at our request, and in any event when provided by you to us, be our property. You agree not to use such information, except in connection with your Franchise Business in accordance with the Franchise Agreement. You agree not to use, process, copy, display, publish, store or transfer the Customer Data without our approval. You agree to comply with all applicable laws with respect to Customer Data; in addition, you agree to comply with all data privacy and security requirements we may establish from time to time and to exert commercially reasonable efforts to prevent the unauthorized use, dissemination, or publication of Customer Data, subject in all instances to applicable laws. You will promptly notify us if you become aware of or suspect any unauthorized access to the Customer Data, or if you become the subject of any governmental, regulatory or other enforcement or private proceeding relating to your data handling practices of Customer Data. You agree to indemnify us for all third-party claims related to your use of Customer Data.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE BUSINESS

Your Operating Principal or City Coach who is approved by us and who has successfully completed all initial training must devote year-around, full time and best efforts to the operation of your Franchise Business and must be "onsite", in charge of the operation of the Franchise Business on a day to day basis. The Operating Principal must own at least 51% of any franchisee entity. Until your Franchise Business meets a minimum threshold performance requirements, your City Coach must be an Owner of the business. In the event you operate more than one Franchise, then each Franchise Business must have at least one individual approved by us and who successfully completes Initial Training as a City Coach.

You may form a corporation, limited liability company, limited partnership or limited liability partnership to own your Franchise but each of your Owners must personally guarantee your obligations under the Franchise Agreement, and that they also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

None of your Owners, Operating Principal or their respective spouses or your City Coach may have an interest or business relationship with any of our competitors. All Owners and their spouses, City Coaches and any Franchise Business personnel completing our Initial Training must sign our form Confidentiality,

Non-Use and Non-Competition Agreement, where permitted by law, which is attached as Exhibit C to the Franchise Agreement. These requirements apply whether or not an equity owner is involved in the Franchise Business's operation or management.

We restrict all employees and Franchise Business personnel from disclosing Confidential Information, and you must have all staff of the Franchise Business sign a confidentiality agreement to protect the Intellectual Property, the Marks, the Operations Manuals and other information concerning the System.

We do not specifically limit who you may hire as the City Coach. However, we do have the right to approve or deny your City Coach. The City Coach does not have to hold an ownership interest in your Franchise Business. The City Coach must complete our training program, as described in Item 11.

All employees you hire are solely your own, and they are not employees of ours. We recommend that you consult with a local attorney as you will be responsible for and have authority over all employment policies, hiring, firing, training, discipline, pay, insurance, taxes, and benefits. If we offer you guidance with regards to employment, it is merely meant as examples or sample information.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the Franchise Business solely for chess instruction pursuant to the System; must keep the Franchise Business open and in normal operation for such minimum hours and days as we may specify; must refrain from using or permitting the use of the Franchise Business for any other purpose or activity at any time without first obtaining our written consent; and must operate the Franchise Business in strict conformity with the methods, standards and specifications as we may periodically require in the Operations Manual, or otherwise in writing.

You may only provide instructional services that we have approved in writing. Any accessory merchandise must be approved by us and maintained with reasonable levels of inventory. There is no limitation on our right to change the services and products offered by our franchisees. You may not offer for sale any services or products that we have not approved. You may not solicit or contract with schools or students outside your Designated Territory; otherwise, you are not restricted in the clients you may serve.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3.1	5 years from the first May 31st after signing the Franchise Agreement to coincide with the end of school year, during your term (a minimum of 5 years and maximum of 6 years)
b. Renewal or extension of the franchise	Sections 3.2 and 3.3	10 additional 5-year terms if you meet certain requirements and sign the then-current franchise agreement; if neither party notifies the other of their

Provision	Section in Franchise Agreement	Summary
		intent to renew or not renew, the franchise will renew on a month-to-month basis until one party provides written notice of intent to the other party
c. Requirements for you to renew or extend	Sections 3.2 and 3.3	Written notice to us; not in default; have timely satisfied monetary obligations to us; execution of release; retraining; you may be asked to sign a new form of Franchise Agreement with materially different terms and conditions than your current Franchise Agreement.
d. Termination by you	Sections 18.1 and 18.5	Upon our material breach which we do not cure or attempt to cure within ninety (90) days of your written notice. You may terminate upon grounds available by law and for any reason if you follow certain pre-defined guidelines within the Trial Period, which varies depending on when you begin.
e. Termination by us without cause	None	We may not terminate the Franchise Agreement without cause.
f. Termination by us with cause	Sections 18.2 and 18.3	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.
g. "Cause" defined – curable defaults	Section 18.3	Curable defaults include any of the following events if not cured within the time period specified in the Franchise Agreement: (i) you submit understated Gross Revenue or other income reports; (ii) you fail to maintain and operate the Business in a good, clean, and wholesome manner; (iii) you deny our right to inspect the Business; (iv) you use or sell products that fail to conform to the specifications; (v) you fail to maintain and operate the Business consistently with the Operations Manual or our standards; (vi) you fail to remit any payments immediately when due to us; (vii) you fail to remit any payments immediately when due to a supplier, vendor, broker, the Cooperative, or other third party owed by the Business; (viii) you fail to submit to us any financial reports or other information required under the Franchise Agreement; (ix) you fail to maintain proper insurance; (x) you interfere with our ability to access the System or our ability to access the account used to transfer certain fees; (xi) you operate the Business in an unhealthy or unsafe manner; (xii) you fail to obtain and maintain any required license or fail to comply with applicable laws and regulations; or (xiii) you breach any other obligation, covenant or representation under the Franchise Agreement.
h. "Cause" defined – non-curable defaults	Section 18.2	Non-curable defaults include: (i) making any unauthorized transfer of the Business or Franchise Agreement; (ii) failing to commence business within

Provision	Section in Franchise Agreement	Summary
		the time prescribed in the Franchise Agreement; (iii) abandoning or failing to operate the Business for five (5) or more consecutive business days; (iv) violating or breaching any of the Franchise Agreement's restrictive covenants or intellectual property provisions; (v) bankruptcy or insolvency; (vi) failing to successfully complete Initial Training; (vii) the entering of certain judgments or liens against you or your property; (viii) knowingly selling products that fail to conform to the specifications or failing to sell products designated by us; (ix) knowingly failing to report accurately the Gross Revenue of the Franchise or committing fraud, misrepresentation or a similar act or omission against us, related entities or a third party; (x) defaulting, on two (2) or more separate occasions within any period of twelve (12) consecutive months, whether or not cured, on any of your material obligations to us or an affiliate; (xi) engaging in any misconduct which hurts the goodwill of the System; (xii) conviction of or plea of no contest to a violation of certain laws or regulations; or (xiii) failing to pay any taxes when due.
i. Your obligations on termination/ nonrenewal	Section 18.7	You must: (i) immediately cease to use any of the Confidential Information, the Intellectual Property and the Proprietary Marks; (ii) immediately return to us (or destroy upon our request) all of your copies of any materials containing any of the Confidential Information or any materials bearing the Intellectual Property or the Proprietary Marks and all copies and records of any customer or other similar lists; (iii) upon our request, cooperate in assigning to us or to a person or entity designated by us any and all vendor agreements or sales or service contracts; (iv) immediately cease all use of our Intellectual Property and stop holding yourself out to the public as associated with us in any way including removing all trade dress; (v) immediately cease using all Social Media Platforms and do all things necessary to remove your administrative access to these platforms; (vi) terminate your access to the e-commerce activities we designate and assign to us all telephone numbers, e-name and directory listings associated in any way with Knight School and the Proprietary Marks, and direct the telephone company to transfer all such numbers and listings to us or our designee; (vii) immediately pay us all unpaid fees and pay us, our affiliates, and our approved and designated suppliers and vendors, all other monies owed; (viii) comply with the post-termination covenants; and (ix) cease any and all

Provision	Section in Franchise Agreement	Summary
		contact with suppliers, vendors, employees or our agents without our prior written consent.
j. Assignment of contract by us	Section 16.6	No restriction on our right to assign
k. "Transfer" by you – definition	Section 16.1	Includes transfer of any interest in franchise, agreement, assets, or you
l. Our approval of transfer by you	Sections 16.2 and 16.3	Any transfer is subject to our approval
m. Conditions for our approval of transfer	Section 16.2	All obligations paid in full; release signed by you; transferee qualifies; transferee must demonstrate qualifications standard we determine; transfer fee of $2,500 paid; may be assigned to an entity (see also "r" below)
n. Our right of first refusal to acquire your business	Section 17	We have the right to match any offer at our option
o. Your obligation upon termination	Section 19.1	Upon termination, or expiration all student and school arrangements shall be assigned to us
p. Your death or disability	Section 16.8	Franchise must be assigned to approved party within 180 days of death or 90 days of disability
q. Non-competition covenants during the term of the franchise	Section 15.5	No interest in a competitive business anywhere; reasonable non-competition restrictions for certain employees for the maximum duration allowed in your jurisdiction.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.6	For 24 months you cannot have any interest in a competitive business within the Designated Territory or within the Designated Territory of any franchisee of ours or within 25 miles of any designated territory of any franchisee or company owned or affiliate owned location or via the Internet.
s. Modification of the agreement	Section 22.9	No modifications generally unless written and signed by both of us, but Operations Manual subject to change
t. Integration/ merger clause	Section 22.9	Only the provisions of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 22.1	In most disputes, the parties must undergo non-binding initiation, paying half the mediation costs plus their own costs.
v. Choice of forum	Sections 22.2 and 22.3	Litigation must be where our principal place of business is located (subject to state law)
w. Choice of law	Section 22.2	Alabama law applies (subject to state law)

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote our franchises. No public figure is involved with us.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned businesses, 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 franchise you are considering buying or (2) a franchisor supplements the information provided in Item 19 for example, by providing information about possible performance at a particular location or under particular circumstances.

During the measurement period January 1, 2025 to December 31, 2025 (the "Measurement Period") there were 30 The Knight School businesses in operation. Two The Knight School businesses were operated by our affiliates as company-owned outlets and 28 of The Knight School businesses operated as franchisees. Both affiliate owned-outlets and 27 of the franchised units were in operation for the entire Measurement Period. Two of the franchised units were operated for less than all of Measurement Period. All are included in these Financial Performance Representations.

The reasonable basis for inclusion of this Financial Performance Representation is that our affiliate locations are substantially similar to the franchised business offered under this Disclosure Document in terms of operating under "The Knight School" marks, territory size, services offered and operations, except that the affiliate-owned locations pay a discounted royalty fees and are not subject to territorial restrictions and the licensees were limited to paying our affiliate $450 during the first six months of operation. Affiliate locations and licensees that signed agreements in 2021 or earlier with our affiliate also have discounted royalty fees, depending upon when the license agreement was executed.

Table 1 shows the gross revenue for all active The Knight School Business franchises and company-owned outlets system-wide throughout the past 12 complete calendar months of Measurement Period, including check deposits and electronic billing. The figures in Table 1 do not include revenue from merchandise sales or referral fees. Table 1 lists each unit according to the calendar year it was established, with the oldest units at the top and the newest units at the bottom. All average amounts in Table 1 only consider units in operation beyond their first complete calendar year.

The average 12-month total for all Franchisee-Owned units beyond their first complete calendar year of operation, per Table 1-A, below, is **$303,465** and the median was **$229,404** for the Measurement Period.

Table 1-A: Franchisee-Owned Unit TKS Revenue for Measurement Period

#	12-Month Total	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May. 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025	Oct. 2025	Nov. 2025	Dec. 2025
1	**$237,442**	$20,400	$12,582	$13,638	$11,397	$34,619	$7,024	$34,404	$22,438	$4,469	$7,936	$21,650	$46,885
2	**$368,525**	$28,467	$34,748	$31,550	$29,376	$43,778	$4,656	$19,754	$51,613	$14,225	$35,282	$40,821	$34,257

3	**$810,128**	$70,516	$64,368	$79,887	$66,461	$80,292	$39,900	$52,344	$70,021	$21,406	$80,860	$93,535	$90,537
4	**$450,161**	$34,045	$30,538	$50,856	$28,887	$41,571	$2,168	$43,686	$33,573	$54,392	$27,646	$30,348	$72,453
5	**$344,314**	$31,919	$27,324	$45,863	$36,420	$25,626	$24,254	$16,789	$22,695	$17,151	$24,033	$23,580	$48,661
6	**$245,714**	$19,223	$25,175	$19,346	$18,561	$31,869	$7,335	$2,110	$19,599	$28,231	$22,066	$19,925	$32,276
7	**$29,210**	$7,280	$1,220	$5,600	$800	$330	$0	$0	$275	$9,815	$370	$220	$3,300
8	**$1,113,913**	$95,103	$91,230	$106,725	$104,036	$121,487	$33,871	$95,337	$64,543	$38,229	$158,455	$79,853	$125,044
9	**$445,209**	$38,211	$29,209	$41,608	$29,986	$58,358	$10,363	$21,665	$38,918	$31,164	$47,864	$43,511	$54,353
10	**$161,797**	$13,595	$9,195	$12,530	$13,207	$22,078	$0	$180	$26,804	$11,678	$13,324	$22,346	$16,862
11	**$430,353**	$58,265	$19,160	$115,142	$12,430	$7,480	$19,791	$56,570	$17,438	$27,008	$34,673	$35,543	$26,853
12	**$98,921**	$3,521	$8,503	$18,423	$7,402	$6,283	$950	$940	$9,476	$8,764	$6,322	$9,383	$18,954
13	**$110,234**	$7,176	$11,213	$10,145	$9,957	$11,695	$1,800	$175	$4,370	$18,461	$10,394	$10,772	$14,076
14	**$205,242**	$23,397	$21,445	$24,860	$20,944	$20,044	$2,688	$3,752	$7,640	$8,955	$30,701	$18,518	$22,299
15	**$169,777**	$10,345	$18,094	$17,200	$17,997	$16,341	$11,188	$6,956	$10,616	$8,718	$17,507	$13,741	$21,075
16	**$206,389**	$17,568	$25,437	$16,519	$16,618	$13,810	$165	$16,122	$25,384	$15,528	$17,220	$24,939	$17,081
17	**$115,142**	$5,915	$13,325	$13,003	$14,488	$11,923	$810	$8,106	$9,119	$6,735	$10,249	$10,907	$10,564
18	**$136,663**	$10,501	$11,593	$18,023	$5,201	$7,248	$10,278	$9,157	$9,685	$13,690	$12,584	$11,002	$17,702
19	**$316,287**	$26,392	$23,618	$26,872	$26,008	$28,569	$12,060	$24,535	$20,731	$23,696	$29,729	$33,931	$40,145
20	**$147,947**	$9,301	$22,010	$12,683	$11,209	$12,844	$1,923	$5,430	$22,204	$24,823	$7,748	$9,076	$8,696
21	**$229,404**	$15,005	$7,410	$17,909	$7,510	$12,808	$25,418	$27,768	$15,442	$23,076	$25,906	$22,473	$28,681
22	**$56,563**	**$7,673**	$4,433	$6,480	$6,503	$5,065	$120	$4,083	$2,721	$2,141	$5,043	$4,753	$7,551
23	**$67,397**	**$5,205**	$6,445	$6,995	$7,821	$6,683	$6,000	$570	$8,854	$1,959	$5,280	$4,340	$7,246
24	**$92,201**	$7,478	$18,663	**$4,146**	$4,645	$4,401	$1,249	$1,455	$10,619	$22,126	$4,208	$5,782	$7,429
25	**$192,983**	$15,655	$14,561	$22,522	$20,194	**$13,767**	$1,945	$2,747	$25,978	$13,674	$17,880	$19,530	$24,531
26	**$60,732**	$5,684	$5,466	$6,204	$6,026	**$6,042**	$4,043	-$28	$2,232	$3,404	$6,327	$8,577	$6,756
27	**$60,731**	$210	$270	$1,803	$2,660	$4,333	$3,035	$5,243	$4,938	$8,033	$9,808	$8,879	$11,522
28	**$32,600**	N/A	N/A	N/A	N/A	$0	$0	$360	$2,468	$7,024	$7,266	$7,734	$7,749
29*	**$6,430**	N/A	N/A	N/A	N/A	$0	$0	$0	$0	$0	$590	$2,800	$3,040
30	**$0**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$0	$0	$0
31	**$0**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$0	$0	$0
32	**$0**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$0	$0	$0
33	**$0**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$0
Average	**$303,465**	**$26,007**	**$24,162**	**$33,256**	**$23,281**	**$29,002**	**$10,316**	**$21,228**	**$23,932**	**$19,534**	**$29,565**	**$27,432**	**$35,750**
Median	**$229,404**	**$19,223**	**$21,445**	**$18,423**	**$16,618**	**$20,044**	**$7,024**	**$16,122**	**$20,731**	**$17,151**	**$22,066**	**$22,346**	**$26,853**

The average 12-month total for all Company-Owned units per Table 1-B, below, is **$172,587** and the median was **$172,587** for the Measurement Period.

*Unit 29 did not formally commence operations in 2025, but it did collect payments in advance towards services to be rendered commencing in January 2026.

Table 1-B: Company-Owned Unit TKS Revenue for the Measurement Period

#	12-Month Total	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May. 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025	Oct. 2025	Nov. 2025	Dec. 2025
1	$298,169	$27,210	$25,118	$24,470	$29,426	$22,431	$21,305	$8,791	$27,911	$18,982	$31,023	$28,148	$33,352
2	$47,005	$10,348	$3,115	$2,263	$1,247	$886	$2,602	-$175	$450	$12,380	$13,000	$660	$229
Average	$172,587	$18,779	$14,116	$13,367	$15,336	$11,659	$11,954	$4,308	$14,181	$15,681	$22,012	$14,404	$16,790
Median	$172,587	$18,779	$14,116	$13,367	$15,336	$11,659	$11,954	$4,308	$14,181	$15,681	$22,012	$14,404	$16,790

Legend for Table 1

N/A	Agreement not yet signed	$	Initial 12 months after signing Agreement
$	Operations not yet commenced	$	Beyond initial 12 months of signing

Figure 1 shows the relative annual revenue generated from chess classes nation-wide leading into and following the March 2020 shutdown.

Figure 1: TKS 10-Year Financial History (Including Annual Revenue Decline and Recovery for COVID-19)

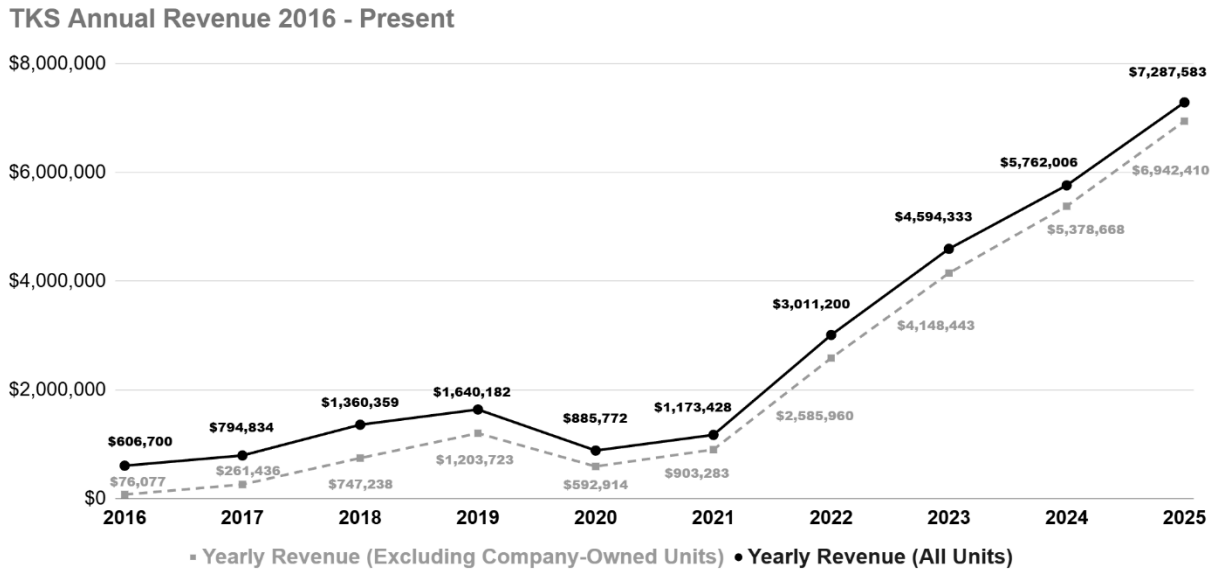


Table 2: Franchisee-Owned Unit Gross Revenue Beyond 1st Full Calendar Year

	2023	2024	2025
Maximum	$643,496.81	$971,978.88	$1,113,913.48
Average	$237,684.43	$281,894.68	$308,376.51
Median	$204,984.17	$224,542.13	$233,423.08
Minimum	$33,244.00	$42,034.00	$29,210.00
Median Franchisee Tenure for Above	5 Years	6 Years	6 Years

Table 2 shows the maximum, average, median, and minimum Gross Revenues for all non-company-owned units in operation beyond 12 months for their first full calendar year for each of the past 3 calendar years. "1st Full Calendar Year" is defined as the initial January 1st – December 31st following commencement of operations, such that all units beyond that point are included in the above.

In 2023, there were 14 units beyond their 1st full calendar year. Of the 14, 35.7% exceeded the average. In 2024, there were 16 units beyond their 1st full calendar year. Of the 16, 43.8% exceeded the average. In 2025, there were 20 units beyond their 1st full calendar year. Of the 20, 40.0% exceeded the average.

Table 3: Franchisee-Owned Unit Gross Revenue During 1st Full Calendar Year

	2023	2024	2025
Maximum	$117,532.40	$217,280.75	$205,242.36
Average	$93,036.45	$141,716.52	$112,519.66
Median	$93,036.45	$115,820.39	$79,798.86
Minimum	$68,540.50	$84,288.60	$56,562.99

Table 3 shows the maximum, average, median, and minimum Gross Revenues for all non-company-owned units in operation during their first full calendar year for each of the past 3 calendar years.

In 2023, there were 2 units in their 1st full calendar year. Of the 2, 50% exceeded the average. In 2024, there were 5 units in their 1st full calendar year. Of the 5, 40% exceeded the average. In 2025, there were 6 units in their 1st full calendar year. Of the 6, 33.3% exceeded the average.

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

Information contained in Item 19 has not been audited. It does not include any expense information, which you should expect to incur in your business.

We will provide you with written substantiation of the information contained in Item 19 upon written request from you, subject to your signing an agreement to maintain the confidentiality of the information.

Except as disclosed in Item 19, The Knight School does not furnish or authorize its sales persons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of a The Knight School business.

If you receive any financial performance information or projections of your future income other than information provided in Item 19, you should report it to The Knight School's management by contacting our CEO, David Brooks c/o The Knight School Franchising, LLC, 2612 Vestavia Forest Terrace, Birmingham, Alabama 35216, (205) 332-5233, the Federal Trade Commission and the appropriate state regulatory authorities.

ITEM 20

OUTLETS AND FRANCHISE INFORMATION

Table 1
System-Wide Outlet Summary
For Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023*	16	22	+6
	2024*	22	26	+4
	2025	26	28	+2
Company-Owned	2023	2	2	0
	2024	2	2	0
	2024	2	2	0
Total Outlets	2023	18	24	+6
	2024	24	28	+4
	2025	28	30	+2

*These locations operated under license agreements with our affiliate in 2023 and 2024.

Table 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Company) for Years 2023 to 2025

State	Year	Number of Transfers
Nevada	2023	0
	2024	0
	2025	0
Pennsylvania	2023	0
	2024	1
	2025	0
Total	**2023**	**0**
	2024	**1**
	2025	**0**

Table 3
Status of Franchise Outlets
For Years 2023 to 2025*

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Company	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Colorado	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Florida	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Georgia	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	1	1
	2025	1	0	0	0	0	0	1
Kansas	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Kentucky	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Maryland	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Nevada	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
New Jersey	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1

North Carolina	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Ohio	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Oregon	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Pennsylvania	2023	2	1	0	0	0	0	3
	2024	3	1	0	0	0	1	3
	2025	3	0	0	0	0	0	3
Tennessee	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	1	0	0	0	0	3
Texas	2023	5	2	0	0	0	0	7
	2024	7	1	0	0	0	0	8
	2025	8	1	0	0	0	0	9
Total	**2023**	**16**	**6**	**0**	**0**	**0**	**0**	**22**
	2024	**22**	**6**	**0**	**0**	**0**	**2**	**26**
	2025	**26**	**2**	**0**	**0**	**0**	**0**	**28**

*If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Table 4
Status of Affiliate Owned Outlets
For Years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Non-Renewals	Reacquired by Company	Ceased Operations – Other Reasons	Outlets at End of the Year
Alabama	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
District of Columbia	2023	1	0	0	0	0	1

	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Total	**2023**	**2**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**0**	**0**	**0**	**0**	**2**
	2025	**2**	**0**	**0**	**0**	**0**	**2**

Table 5
Projected Openings as of December 31, 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchise Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
California	1	2	0
Florida	1	1	0
Massachusetts	0	1	0
New Jersey	0	1	0
Oklahoma	1	0	0
Oregon	0	1	0
South Carolina	1	0	0
Tennessee	0	1	0
Texas	0	1	0
Virginia	1	0	0
Total	**5**	**8**	**0**

*These are license agreements with our affiliates.

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

During the last 3 fiscal years, we have not signed confidentiality agreements with any current or former franchisees restricting their ability to speak openly about their experience with the Company.

As of December 31, 2025, the Company does not have any trademark-specific franchisee organizations or associations.

ITEM 21

FINANCIAL STATEMENTS

Our audited financial statements dated March 31, 2026 for the year ended December 31, 2025, audited financial statements dated February 7, 2025 for the year ended December 31, 2024, and an Audited Balance Sheet dated April 30, 2024 is attached to this Disclosure Document as Exhibit B. We have not been open for three (3) years so we are unable to provide you with three (3) full years of audited financial statements. Our fiscal year end is December 31 of each year.

ITEM 22

CONTRACTS

Attached are copies of the following agreements relating to the offer of the Franchise:

Exhibit A: Franchise Agreement:
-*Schedule I*: Franchisee Information and Designated Territory
-*Schedule II*: List of Minimum Insurance
-Exhibit A: General Release
-Exhibit B: Personal Guaranty
-Exhibit C-1: Non-Compete, Confidentiality and Non-Solicitation Agreement
-Exhibit C-2: Confidentiality and Non-Use Agreement
-Exhibit D: Internet Websites, Telephone and Listing Agreement
-Exhibit E: Electronic Funds Transfer (EFT) Authorization
-Exhibit F: Multi-State Franchise Agreement Amendments
-Exhibit G: Territorial Amendment
-Exhibit H: Licensee Conversion Addendum
-Exhibit I: Promissory Note (*for California Franchisees Only*)

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.

Exhibit J: Discovery Day Confidentiality and Non-Disclosure Agreement (pre-sale)

Before attending our pre-sale Discovery Day, you will be asked to sign the Discovery Day Confidentiality and Non-Disclosure Agreement attached as Exhibit J. The Confidentiality and Non-Disclosure Agreement is intended solely to protect our confidential and trade secret information disclosed for the limited purpose of allowing you to evaluate the franchise opportunity. It does not require you to purchase a franchise and does not restrict you from discussing the franchise opportunity or this disclosure document with your professional advisors (including attorneys and accountants), financing sources, spouses, business partners, or current and former The Knight School franchisees. The Confidentiality and Non-Disclosure Agreement does not prohibit you from communicating with any government agency, including the Federal Trade Commission or any state franchise regulator.

ITEM 23

RECEIPTS

Please sign and return one copy of the receipt attached to this Disclosure Document as Exhibit L

EXHIBIT A

FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

Franchisee Name:

Date:

Franchise No.:

Description:

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Exhibit G: Territorial Amendment
Exhibit H: Licensee Conversion Addendum
Exhibit I: Promissory Note *(for California Franchisees Only)*

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (together with all appendices, schedules, exhibits, and ancillary agreements signed in connection with the grant of the Franchise defined below and described herein, collectively referred to as the "Agreement") is effective as of the date set forth on Schedule I (the "Effective Date") for the operation of a Knight School franchise (the "Franchise") between The Knight School Franchising, LLC, an Alabama limited liability company, ("we", "us" or "our"), and the business entity and Owners (as defined in Section 4.1) set forth on the signature page to this Agreement and Schedule I ("you" or "your") (collectively, you and we are referred to as the "parties" and individually sometimes referred to as a "party") for the purpose of granting you the rights necessary to operate the Knight School franchise (the "Franchise").

1. PREAMBLE AND STATEMENTS OF UNDERLYING FACTS

1.1 **The Knight School System**. We, and our affiliates, have expended considerable time, skill, effort and money to originate and develop a unique and proprietary plan, method and system for establishing and offering to children professional chess instruction and training as well as other services (the "Services") as set forth in the confidential and proprietary Operations Manual in a fun, informative environment (the "Business"), and other items and products (the "Products") we may develop and offer from time to time in our sole discretion, all created using proprietary standards, methods and procedures; business techniques; confidential manuals; proprietary software; learning camps, teaching and management training; methods for recruiting and retaining qualified coaches; trade secrets; quality and consistency standards for services offered; procedures for accounting, inventory control and management; advertising, marketing and promotional programs; and other specifications, know-how, information, training and business relationships, all of which we may revise, change, cancel, alter, amend, further improve, discontinue, develop or otherwise modify, from time to time (collectively, the "System").

1.2 **The Intellectual Property**. The distinguishing characteristics of the System include, but are not limited to, the name "The Knight School®" together with such other trademarks, trade names, service marks, logos, designs, emblems and other marks and symbols designated by us from time to time in connection with the operation of The Knight School Business (collectively, the "Marks") and the related copyrights, patents, technology, processes, techniques, data, inventions, know-how and trade secrets, owned or developed by it as well as other intellectual property and proprietary information also used in the operation of a Knight School Franchise, including the URL website www.theknightschool.com (collectively, with all other all associated web addresses, URLs, websites and web pages, social internet domain names, social media accounts, media sites and pages, and all related content and data, the "Website(s)") or as we may hereafter acquire, develop or designate for use in connection with the System (together with the Marks and Website(s), the "Intellectual Property").

1.3 **The License**. David Brooks ("Brooks") granted us a license to use the Marks and certain other Intellectual Property to operate the System with the right to sublicense such Marks and Intellectual Property to qualified franchisees to own and operate a Franchise. We grant to persons who meet our qualifications and are willing to undertake the investment and effort, the right to own and operate a Franchise using the System, the Intellectual Property and the Marks.

1.4 **The Franchise**. You desire to acquire the right to operate a Franchise, using the System, the Intellectual Property and the Marks.

1.5 **Franchisee's Application**. You submitted an application to us representing and warranting that all information, including financial information, provided to us is true, complete, correct and not misleading in any material respects ("Franchise Application"). We approved the Franchise Application in reliance upon your representations and warranties set forth therein.

1.6 **Acknowledgements**. You understand and acknowledge that the terms of this Agreement are reasonably necessary to maintain our high standards of quality, appearance, and service and the uniformity of those standards among all Franchises ("System Standards"), and to protect and preserve the goodwill of the Marks, the Intellectual Property and the System.

1.7 **Definitions**. Terms not defined within this Agreement shall have the meaning set forth on Appendix A.

2. GRANT OF FRANCHISE

2.1 **Grant of Franchise**. We hereby grant to you a Franchise, and you hereby undertake the obligation, to use the Intellectual Property and the Operations Manual, and to establish and operate one (1) Business under the System, as it may be changed, improved, modified or further developed from time to time pursuant to the provisions of this Agreement within the Designated Territory described on Schedule I. Subject to the terms and conditions of this Agreement, we grant, and you accept, the right and obligation for the Term (as defined in Section 3.1):

a. to faithfully, honestly, and diligently develop, open and operate the Business within the Designated Territory using the System and in compliance with this Agreement and our standards and requirements;

b. to adopt and use the System in the operation of the Business;

c. to advertise to the public that you are a Knight School franchisee; and

d. to use the Intellectual Property, but only in connection with the sale of Products and Services which have been designated and approved by us to Customers (as defined below) throughout the Designated Territory.

2.2 **Restriction on Franchise Grant**. You may not subfranchise, sublicense, assign or transfer your rights under this Agreement, except as specifically provided in this Agreement. For purposes of this Agreement, "Customer(s)" shall mean any individual or entity (and the owners or authorized representatives of such entity) who purchased or purchase Products and Services from you during the Term (even if you have solicited the person or established a business relationship independent of us and without our assistance) or whom you have solicited to purchase Products or Services.

2.3 **Scope of Knight School Operations**. *Designated Territory*.

i. Subject to your full and continuous compliance with this Agreement, including, but not limited to, the requirements set forth in this Section, we and our Affiliate will not grant another franchise for a business offering instructional chess classes, or acquire or otherwise establish for ourselves a company-owned location offering children in-person instructional chess services under the Marks within the Designated Territory.

ii. If you provide Virtual Services, then your Designated Territory includes those customers whose then-current primary residential home addresses are located within the Designated Territory at the time of initial enrollment for Virtual Services.

iii. If a prospective Virtual Services Customer is located in an area that is not within any franchisee's designated territory, we may assign, reassign, or service that customer directly or through any franchisee, affiliate, or company location, in our sole discretion. We may continue to service that Customer notwithstanding any subsequent creation, modification, sale, or reassignment of a territory covering the Customer's location. Notwithstanding the foregoing, if that prospective enrollment was referred by a current franchisee, we may, but are not required to, assign such customer to the referring franchisee.

iv. A Virtual Services Customer attributed to a franchisee's designated territory who subsequently relocates outside that designated territory (including into another franchisee's designated territory) may continue to receive Virtual Services from the original franchisee for so long as the customer remains continuously enrolled in any Virtual Services offered by that franchisee without a gap of twelve (12) consecutive months. If the customer experiences such a gap, or enrolls in any in-person services with another franchisee before enrolling in any Virtual Services with the original franchisee following relocation, the original franchisee's virtual attribution protection lapses immediately. In all cases, attribution for in-person Services follows the location of service delivery and applicable assignment rules, not the customer's historical attribution for Virtual Services.

v. If there is any uncertainty, overlap, or dispute concerning Customer attribution, territory boundaries, lead assignment, or the application of these rules, including Virtual Services, then we reserve the right to make a final determination in our sole discretion, consistent with then-current System policies. You must comply with that determination.

vi. No exclusive, protected, or other territorial rights outside your Designated Territory, including any contiguous market area, is hereby granted or inferred.

vii. If any of your Designated Territory has not been cultivated by the end of the term of this Agreement, The Knight School may, in its sole discretion, exclude the non-Cultivated Territory within your Designated Territory for any subsequent franchise term. Your rights to the Designated Territory are expressly conditioned upon your Business meeting the Minimum Performance Standards, as defined in Section 2.5. If you fail to meet the Minimum Performance Standards in Section 2.5, all of your rights in and to territorial protection in the Designated Territory permanently cease and we may, in our sole discretion, sell The Knight School franchises or establish a company-owned location utilizing the System within the Designated Territory.

viii. If zip code or state boundary lines change during the Term of this Agreement, we will re-assign, revise, modify, alter or adjust the boundaries of the Designated Territory so that the Designated Territory reflects the intended size, composition, and makeup of the original Designated Territory taking into account factors we determine appropriate in our sole discretion.

b. *Alternative Concepts*. You acknowledge and understand that we or our affiliates may develop, create, offer or launch new concepts or brands, directly or indirectly through distribution, licensing, franchising or other business models, which may be competitive or complementary to the Products and Services offered by your Business. You understand this Agreement does not grant you any rights to offer the new products, services, or service lines described in this Section 2.3 or share in any of the revenue or proceeds generated from such sales.

c. *Qualification Program Requirements*. We and our affiliates reserve the right to establish or launch one or more certification or qualification requirements through which our franchisees may be authorized to provide additional items, services or products, including dual-branded concepts, which we may designate in connection with the System ("Qualification Program(s)"). We may condition a franchisee's participation in any Qualification Program on meeting certain standards, terms and requirements. Participation in a Qualification Program may require (1) additional purchase of equipment, inventory or supplies; (2) training for your Operating Principal (as defined in Section 4.2) and City Coach (as defined in Section 4.3); (3) additional marketing requirements; and (4) other conditions, all of which you must meet at your own expense. This Section does not constitute a right of first refusal for any additional franchise programs, which we or our affiliates may now or in the future create.

2.4 **Rights Reserved by Us**. Except as set forth in Section 2.3 of this Agreement, you understand and expressly acknowledge and agree that, both within and outside of the Designated Territory, we (and our affiliates) reserve at our sole option the rights to offer or sell all Services, including the Products which comprise, or may in the future comprise, a part of the System and all other Products and Services regardless of whether such Products or Services are authorized for sale as part of the System, under the Intellectual Property franchised hereunder, or otherwise, including without limitation:

a. the right to operate ourselves or grant others the right to operate businesses offering Services or Products to the public anywhere outside the Designated Territory, regardless of their proximity to the Designated Territory; and through any channel of distribution including mail order catalogs, computerized (such as the Internet), telephone or other electronic ordering systems capable of accepting orders placed from within or outside the Designated Territory. We also expressly reserve for ourselves and our Affiliate the right to conduct in our or its sole discretion any promotion, function or activity within the Designated Territory, including trade shows, seminars, and coach training sessions; and

b. the right to offer and deliver exclusively online, web-based or other subscription based virtual services or grant others the right to offer and deliver Virtual Services to general audiences that may or may not include Persons purchasing or participating from or residing within the Designated Territory, including but not limited to services that are part of the System; and

c. the right to develop, own, operate, and grant franchises to third parties to develop any other businesses other than a Competing Business, under different marks and systems; and

d. the right to be acquired by or to acquire, through assets, ownership interest, or otherwise, any business providing products and services similar to those provided by the System; and

e. the right to disclose your contact information and financial performance information to prospective future franchisees; and

f. the right to use and license the use of other proprietary and non-Marks or methods which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business, at any location, including within the Designated Territory, which may be similar to or different from The Knight School business operated by you; and

g. the right to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing program; and

h. the right to organize, promote, and operate, directly or through our affiliates, an annual national tournament and related programming known as "The Knight School Nationals" within the Designated Territory each calendar year, which will be operated by us and not by any franchisee; and

i. the right to engage in all other activities that this Agreement does not expressly prohibit.

2.5 **Minimum Performance Standards**. We require your use of a certain customer satisfaction rating measurement defined in our Operations Manual, and we reserve the right to replace and update the processes for collecting and calculating that measurement from time to time. We may also, in our sole discretion, choose to designate "secret shoppers" as one component

of determining this rating. You must achieve a passing customer satisfaction rating as defined within the Operations Manual. Failing to do so will result in your immediate default of this Agreement with one (1) opportunity to cure the default by meeting our Minimum Performance Standards the immediately following semester as defined in Section 18.2. If you do not meet the bi-annual Minimum Performance Standards for 2 consecutive school semesters or if you are in default with the Franchise Agreement without cure for another reason, your territorial protection in the Designated Territory will cease, and we may sell franchises or establish company-owned locations utilizing the System within the Designated Territory. You must also substantially comply with all requirements of the System described in the Operations Manual.

2.6 **Supplementary Benefits for Customer Satisfaction**. We reserve the right, but not the obligation, to in our sole discretion from time to time, award additional benefits, including temporary royalty fee reductions, to franchisees that meet or exceed certain customer satisfaction rating standards above and beyond the Minimum Performance Standards defined in Section 2.5. You must be in compliance with this Agreement, the Operations Manual, and any other agreements with us and our affiliates to qualify for any Royalty Fee reduction or discount.

3. TERM AND RENEWAL

3.1 **Initial Term**. Except as otherwise provided for in this Agreement, the initial Term of this Agreement will run for from the date of execution of this Agreement until the first May 31st on or after five (5) years from the date of execution (the "Term"). In any event, you understand that the Term shall coincide with the end of a typical academic school year so it may be longer or shorter than other franchisees depending upon when you execute this Agreement. This Agreement will not be enforceable until it has been countersigned by us and delivered to you.

3.2 **Renewal Term**. The Renewal Term will begin on the final date of the previous Term. The Renewal Term will end on the first May 31st on or after five (5) years from the beginning date of the current Renewal Term. You may, at your option, renew this Agreement, as set forth herein, for up to ten (10) additional Terms of five (5) years each, provided that all of the following conditions are met at the end of the Initial Term or any Renewal Term, as the case may be:

a. Notice. You have given us written notice of your election to renew this Agreement, not less than ninety (90) days, nor more than one (1) year, prior to the expiration of your then current term;

b. No Default. You are not in default of any provision of this Agreement, nor any other agreement between you and us, and have substantially complied with all of the terms and conditions of this Agreement as well as all requirements of renewal described in the Operations Manual during the Term hereof and such other agreements during the Term thereof (including, without limitation, any additional renewal Terms). We may choose not to renew your Franchise if you breached the Franchise Agreement or failed to company with the Operations Manual during the Term, even if such violations were cured;

c. Satisfaction of Monetary Obligations. You have satisfied all monetary obligations owed by you to us and our Affiliate and have timely met these obligations

throughout the Term of this Agreement (including, without limitation, any additional renewal Terms);

d. Release. You and each of your Owners and their spouses must execute a release, in a form satisfactory to us, the current form of which is attached to this Agreement as Exhibit A ("General Release"), of any and all claims against us and our Affiliates and each of their respective officers, directors, employees, members, shareholders, representatives and agents, in their corporate and individual capacities;

e. Form of Franchise Agreement. You execute our then-current form of franchise agreement, which terms, including monetary terms, may differ from this Agreement; provided, however, that all Cultivated Territory will be preserved in that Agreement; and

f. Refresher Training. Your Operating Principal and City Coach will, at your expense, attend and successfully complete to our satisfaction any retraining or refreshing training program we may require; and

g. Operations. We are still offering and selling new franchises at the time of the Renewal Term.

3.3 **Interim Term**. Upon expiration of this Agreement, if neither party has provided the other written notice to renew, not renew, or terminate, we may temporarily renew your franchise on a month-to-month basis with all the same provisions of this Agreement continuing as-is, including but not limited to all obligations, restrictions and penalties, until both parties agree to the then-current agreement or one party provides notice of termination to the other party with at least 30 days-notice.

3.4 **Refusal to Renew Franchise Agreement**. We can refuse to renew your Franchise if you fail to substantially comply with the terms of this Agreement or fail to cure of any defaults incurred during the Initial Term of this Agreement, if applicable.

3.5 **Renewal Under Law**. Even though we decline the renewal of your Franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the applicable law, rule, regulation, statute, ordinance or order, your Renewal Term will be subject to the conditions of the franchise agreement we are using for new franchisees at the time the Renewal Term begins. If we are not then offering new Franchises, your Renewal Term will be subject to the terms in the then-current franchise agreement that we indicate. If for any reason that is not allowed, the Renewal Term will be governed by the terms of this Agreement.

3.6 **Your Election Not to Renew**. For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the Franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us any of the renewal franchise documents required by us, together with payment of the renewal fee outlined above, or if you provide written notice to us within the final ninety (90) days of the Initial Term, indicating that you do not wish to renew this Agreement or any renewal franchise agreement or you fail to provide notice of your intention to renew in accordance with Section 3.2 of this Agreement.

4. OWNERS, OPERATING PRINCIPAL AND CITY COACH

4.1 **Owners' Guaranty**. Simultaneously with the execution hereof, each individual owner, shareholder, general partner, member or other equity holders of the entity operating the Franchise (who shall all be designated as an "Owner" on Schedule I) shall execute and deliver to us a personal guaranty, substantially in the form designated on Exhibit B attached hereto (the "Guaranty"), which Guaranty shall be a condition precedent to the grant of the Franchise hereunder and pursuant to which each individual Owner shall be jointly and severally obligated to us under this Agreement.

4.2 **Operating Principal**. You agree to appoint an individual that owns at least fifty-one percent (51%) of the voting and equity interest of the legal entity which holds the Business, who shall (i) be responsible for the Business and all decisions; (ii) be granted the authority by the Franchise to bind it in any dealings with us and our affiliates; and (iii) direct any action necessary to ensure compliance with this Agreement and any other agreements relating to the Business (the "Operating Principal"). The name and address of the initial Operating Principal is set forth on Schedule I. We must approve your original and any replacement or subsequent Operating Principals in writing.

4.3 **City Coach**. Your Business must also have a person designated to work full time overseeing and operating the Business on a day-to-day basis (the "City Coach"). The Operating Principal may act as your City Coach or you may appoint another Owner with equity in the Franchise as the City Coach. Once your Franchise Business meets the Minimum Performance Standards described in the Operations Manual, then you may hire an employee to act as your City Coach that (i) satisfies our educational and business experience criteria as set forth in the Operations Manual; (ii) is approved by us in writing; and (iii) completes the required training program to our sole satisfaction. All City Coaches and Operating Principals must complete the required training program to our sole satisfaction. We must approve in writing any replacement, additional or subsequent City Coaches.

4.4 **Best Efforts**. Your City Coach shall diligently and fully exploit the rights granted in this Agreement by personally devoting full time and best efforts to the operation of the Business and you and your Operating Principal shall perform your obligations under this Agreement faithfully and honestly and continue to exert your best efforts to promote and enhance the Business and the System for the full Term of this Agreement. Each of you and your Owners, including your Operating Principal, covenant and agree to make all commercially reasonable efforts to operate the Business to achieve optimal sales.

4.5 **Owner Acknowledgment**. You, including each of your Owners have represented to us that you have entered into this Agreement with the intention to comply fully with the obligations to construct a Business hereunder and not for the purpose of reselling the rights to develop the Business hereunder. You and your Owners understand and acknowledge that we have granted such rights in reliance on the business skill, financial capacity, personal character of, and expectations of performance hereunder by, you (including your Owners) and that this Agreement and the rights and obligations hereunder may not be transferred until after the Business commences operations to the public and then only in accordance with the terms of this Agreement.

5. EMPLOYEES AND PERSONNEL

5.1 **Oversight**. You will have the sole authority and control over the day-to-day activities of your employees. You will be solely responsible for recruiting, training and developing all employees, staff, workers, independent contractors, and any other personnel as may be needed ("Personnel"). You will decide the compensation to be paid to your Personnel. We will not be responsible for payment of any compensation to you or your Personnel. At no time will you or your employees be deemed to be employees of us or our affiliates. You are solely responsible for the supervision of your employees. You will make your employment decisions such that your Business can successfully and efficiently operate.

5.2 **Qualifications**. You agree to ensure your Business maintains the highest quality standards of professionalism and integrity in the operation of The Knight School Franchise, including those System Standards set forth in the Operations Manual, and you understand that any employees you choose to hire may interact with the public as a representative of your Business and therefore will be a critical component of maintaining those standards. When hiring Personnel, you shall use your best efforts to hire qualified and competent employees. Having an appropriate number of qualified School Coaches is critical to the operation of your Knight School Franchise. You must have at least one instructor surpassing the below minimum standard, which we may update from time to time in the Operations Manual:

a. School Coaches, teaching The Knight School Elementary Chess class, must be able to beat Stockfish at Level 1 two times in a row;

b. City Coaches, in order to graduate from TKS University, must be able to beat Stockfish at Level 2 two times in a row; and

c. The City Coaches instructing Varsity Advanced Chess School must be able, two times in a row, to beat Stockfish at Level 3. New City Coaches must demonstrate that they have surpassed this milestone prior to offering their first local Varsity class.

The above levels of proficiency must be maintained throughout each coach's teaching tenure. School Coaches are not held to the above standard until 30-days after their first-class date. School Coaches who do not meet the above criteria must avoid playing against the students in the class, and when School Coaches do play against students, they should generally seek to win their games.

5.3 **Safety**. You agree to take appropriate action to ensure that your employees meet the minimum standards required by laws regarding personnel working with and around children and all other applicable laws, that your employees meet the minimum standard requirements of the host schools and facilities in which they will be performing their jobs, and that your employees are able to facilitate your Business in meeting all the System Standards in the Operations Manual. Required actions to comply with this paragraph likely include screening and conducting background checks (including criminal and child abuse checks) of prospective applicants prior to employment and employing only those who have good moral character, certain minimum amounts of experience and training, and who meet such other recommendations as we describe in the Operations Manual.

5.4 **Owners and Staff Confidentiality Agreements; Non-Competition Agreements**. Your Owner(s), Operating Principal, City Coach (where permitted by law), each of your Owner's spouses, and all Personnel who attend any training we provide or who have access to our Confidential Information (as allowed under applicable law), must sign a Non-Compete, Confidentiality and Non-Solicitation Agreement in the form attached to this Agreement as Exhibit C-1. All other Personnel must sign a Confidentiality and Non-Use Agreement in a form approved by us, a current sample which is attached as Exhibit C-2 ("NDA Agreement"). With respect to all Personnel, such agreements must be signed on or before the date such person is hired. You must provide us with a copy of each Non-Compete, Confidentiality and Non-Solicitation Agreement and NDA Agreement within three hundred sixty-five (365) days after it is signed prior to the annual reporting deadline on May 31 or immediately upon our request. You also understand and agree to ensure your NDA Agreement with your Personnel complies with your local and state laws. We recommend that you have these agreements reviewed by an attorney to ensure it is compliant with all such laws. Any such review would be your own ordinary business expense and all related costs would be your responsibility.

5.5 **Taxes and Related Matters**. You shall be responsible for income and other taxes required to be withheld and hereby assume full responsibility for payment of the employer's portion of any social security, federal and state taxes and any other taxes required to be withheld for your Personnel. You shall also pay and/or withhold taxes and premiums for unemployment and workers' compensation insurance for your Personnel, as required by state and/or federal law.

5.6 **Indemnification**. You will indemnify us, hold us harmless from, and defend us against any and all liabilities, losses, expenses, and obligations that we may incur related to any of your Personnel (or any person assisting or working on behalf of the Franchise) arising out of any claim, cause of action, complaint, proceeding (in litigation, arbitration, mediation, administrative process, regulatory proceeding or otherwise) relating to your obligations to pay them any compensation or remuneration or otherwise relating to an employment relationship. You understand and acknowledge that we are under no obligation or liability to any of your Personnel for any remuneration, compensation, commission, employment or any other duty, responsibility, liability or obligation. Your indemnification obligations: (i) include reimbursement to us of any and all of our attorneys' fees and costs in defending any such claim from your Personnel, (ii) survive expiration or termination of this Agreement, and (iii) extend to our affiliates, representatives and agents.

6. OUR ASSISTANCE AND COMMENCEMENT OF OPERATIONS

6.1 **Opening Kit**. You must purchase an opening starter kickoff supply bundle kit of materials, including chess kits and t-shirts necessary to operate your Franchise from us or our affiliate before you open your Franchise to the public ("Opening Kit"). The Opening Kit also includes a "Tech Pack" of initial equipment including a projector, carrying case, thumb drives, chess clocks, extension cords and related materials. The composition of the Opening Kit is more fully described in our Operations Manual and the fee ("Opening Kit Fee") varies based on the materials, supplies, goods and equipment purchased. If you are in good standing, then the Opening Kit Fee may be paid in ten (10) equal monthly installments commencing six (6) months after the Effective Date of this Agreement. You may choose to purchase from us, at your sole discretion, any additional Supply Bundles for your Business beyond the Opening Kit at any time within the

Term of this Agreement. The price of the additional Supply Bundles you purchase and the timing of payments, if any, is defined in Section 8.3.

6.2 **Opening**. We will authorize you to commence operations of the Business to the public once you have met all of your pre-opening training and purchasing obligations as set forth in this Agreement and in the Operations Manual, including but not limited to completing your Initial Training and passing a final examination. You must have the Business open for business at the time set forth in the Operations Manual or within thirty (30) days after written notice from us. Absent any written notice from us and any requirement in the Operations Manual that is applicable to your Business, your Commencement of Operations must take place no later than September 30th of the same calendar year as the date of execution of this Agreement if the date of execution occurred during the month of January, February, March, or April. Otherwise, your Commencement of Operations must take place no later than September 30th of the following calendar year.

6.3 **Group Purchasing and Suppliers**. We may provide you with the opportunity to participate, on the same basis as other franchisees, in group purchasing programs for Products, including Proprietary Supplies and equipment which we or our Affiliate may from time to time develop, on terms that we determine, in our sole discretion. We and our Affiliate have the right to set up exclusive dealing arrangements with selected vendors, including Approved Suppliers, and receive payments from those vendors for any preferred vendor designation. We will provide you with a list of our Approved Suppliers upon your written request, and we may choose to provide you an updated list of Approved Suppliers from time-to-time during the Term of this Agreement.

6.4 **Reports**. We will make available to you periodic newsletters and electronic communications containing information of general interest and concern to you, the City Coach, School Coaches and students.

6.5 **Founder's Payout**. If (1) Agreement is in effect on the final day of the Initial Term, (2) you meet the performance standards and qualifications set forth in the Operations Manual; and (3) you are not then in default, we will remit you a Founder's Payout in the form of a direct deposit, check or credit against fees and amounts due to us. If we owe you a Founder's Payout, it will be in an amount not less than five thousand dollars ($5,000) and not more than the ten thousand dollars ($10,000). If at the end of the Initial Term, both of your two (2) most recent customer satisfaction ratings, using the measurement defined in the Operations Manual, were within the top fifty percent (50%) of our franchisees for the corresponding semesters, the Founder's Payout will be ten thousand dollars ($10,000). If at the end of the Initial Term, you meet the performance standards and qualifications set forth in the Operations Manual, but do not qualify for a Founder's Payout of $10,000, then we will remit a Founder's Payout in an amount between $5,000-$10,000 based on the scales and calculation methods described in the Operations Manual.

7. SYSTEM TECHNOLOGIES

7.1 **Computer and Software**.

a. You agree to purchase, lease or obtain any computer software (including financial reporting software, such as QuickBooks) and hardware and other equipment and

smart phone apps not included in the Opening Kit for use in operating the Business all designated or approved by us from time to time and as outlined in the Operations Manual ("Computer System"). You shall use the Computer System to collect all data of the Business and provide us independent access to the information collected through the Computer System. You agree to not interfere, in any way, with our ability to access the Business information through the Computer System. We may require you to obtain as part of the Computer System specified computer and communications hardware, equipment, components or software in addition to the Software and services and may modify our specifications for and required components of the Computer System from time to time. You agree to make such modifications and meet such requirements which may require you to incur additional costs. We may require that the Computer System or Computer System or both (i) be capable of connecting with our computer system; (ii) perform the functions we designate; (iii) permit us to review the results of your Franchise's operations; and/or (iv) be capable of engaging in any e-commerce (as defined below) activities that we designate or approve. The Computer System you choose must run or be compatible with our Operating System of Choice. If your Computer System is not able to run our Operating System Of Choice directly, it is your responsibility to take the steps necessary to ensure portability.

b. You must take reasonable action to protect your Computer System from viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, data related problems and attacks by hackers and other unauthorized intruders ("E-Problems"). You must also take reasonable steps to verify your suppliers, lenders, landlords, customers, and governmental agencies on which you rely, have reasonable protection from E-Problems. This may include trying to secure your Computer Systems (including firewalls, password protection, and anti-virus systems), and to provide backup systems.

c. You may be required to invest in and implement new technology initiatives at your own expense, which may include, but will not be limited to, music, Internet, TV broadcast, software management applications and other various software applications and surveillance systems and mobile applications designed to better manage business functions and control costs. We may designate the supplier you use for any goods and services associated with these initiatives.

d. We or our affiliates, or business partners may develop technology, software, hardware programs or mobile applications or other new technology solutions and require that you use such new technology at your expense and in accordance with our System Standards. We reserve the right to pass through these costs as part of our Technology Fee or charge you a one-time fee for use or development of any such new technology. Additionally, you may be required to purchase additional hardware to ensure the full functionality of the technology that we, our affiliates or business partners develop.

7.2 **Websites**.

a. Due to the importance of maintaining a uniform presence on the internet, we have the right to control all use of URLs, domain names, websites, addresses, meta-

tags, links, key words, e-mail addresses and any other means of electronic identification or origin ("e-names") related to the Franchise. Neither you, nor any of your Owners, are permitted to use an e-mail address that is not associated with our www.theknightschool.com URL for the Franchise.

b. We may require you, at your expense, to operate certain aspects of the Franchise that we designate through e-commerce methods that we designate, and in the manner we designate from time to time. We also have the right to designate, approve, control or limit all aspects of your use of the Internet, intranet system, World Wide Web, wireless technology, digital cable, use of e-names, virtual worlds, social media, portals, search engine optimization, pay-per-click advertising, home pages, bulletin boards, chat rooms, linking, framing, blogs, text messaging, on-line purchasing cooperatives, marketplaces, barter exchanges, and related technologies, methods, techniques, registrations, networking, and any electronic communication, commerce, computations, or any means of interactive electronic documents contained in a network of computers or similar devices linked by communications software (collectively, "e-commerce").

c. Further, you shall, at your sole expense, participate in our Websites on the internet or other on-line communications, including an intranet system that we may develop in the future unless we provide otherwise. You must follow all of our policies and procedures for the use and regulation of e-commerce. You acknowledge that certain information obtained through your participation on our Websites may be considered Confidential Information, including information about participating children and families, credit card information, access codes, and identification codes. Your right to participate in our Websites or any intranet system we may develop terminates when this Agreement expires or terminates.

d. You shall assign and transfer to us or our designee any and all interest you may have in any e-commerce in connection with the Franchise by executing the Internet Website, Telephone and Listings Agreement attached hereto as Exhibit D. We may require that you provide photographic, written or other forms of content to us for use in e-commerce activities associated with the Marks, the Intellectual Property or the System which we may designate. We may restrict your use of e-commerce, or your customer's use of e-commerce in connection with the Product purchases to a centralized website, portal or network or other form of e-commerce designated by us operated by us or our designee. We may require that you provide information to us and arrange Product sales or distribution via e-commerce. We may require you to coordinate your e-commerce activities with us. We may require that your customers be provided access to certain e-commerce activities that we designate from time to time.

e. You recognize and agree that between you and us, we own all rights to all interest in and to any data collected via e-commerce related to the System, the Intellectual Property and the Marks, including any customer data, click-stream data, cookies, user data, hits and the like. You acknowledge that some information, such as student names and The Knight School-generated chess account login credential information, may be shared with all City Coaches in the System to facilitate access. All such information constitutes our Confidential Information.

7.3 **Student Data and Data Security**. Any information on students, customers, registrants or participants of your Business that identifies or can be used to identify, contact, locate, or be traced back to the specific person to whom such information pertains, or from which identification or contact information of an individual person can be derived, including but not limited to, personally identifiable information ("Customer Data") and all information, mailing lists and data bases of Customer Data from whatever source derived, industry standards must be used only in connection with your Business in accordance with this Agreement. You agree to comply with all applicable laws, regulations and with respect to Customer Data; in addition, you agree to comply with all data privacy and security requirements we may establish from time to time and to exert your best efforts to prevent the unauthorized use, dissemination or publication of Customer Data, subject in all instances to applicable laws. It is your responsibility to determine the data privacy laws applicable to you and your Business. We expressly disclaim knowledge of the data privacy laws applicable to you. You shall promptly notify us if you become aware of or suspect any unauthorized access to the Customer Data, or if you become the subject of any governmental, regulatory or other enforcement or private proceeding relating to your data handling practices. You shall promptly carry out any request from us with respect to Customer Data that is reasonably necessary to allow us to comply with data privacy laws applicable to us regarding processing, storage, handling, collection, use, transfer and transmission of Customer Data.

7.4 **Artificial Intelligence Usage**. You acknowledge and agree that in order to protect the goodwill of the System, the Intellectual Property and the Marks, the use of artificial intelligence ("AI") in the Business must be conducted in a safe, thoughtful, and ethical manner. You shall adhere to the following guidelines when employing AI technologies within the Business operations as well as any other guidance set forth in the Operation Manual:

a. Permitted and Prohibited Use of AI. You may implement AI solutions within the permitted business scope of operating your Business, focusing on tasks such as process automation, customer service optimization, data analysis, and targeted marketing. You are strictly prohibited from using AI solutions to: (i) access, use, or transmit Confidential Information or Intellectual Property and the Marks without our prior written authorization; (ii) collect, store, or otherwise utilize Intellectual Property and Confidential Information in any way not expressly permitted under this Agreement and applicable data privacy laws; (iii) engage in any activity that could harm the System or our brand reputation or expose it or us to legal or regulatory risk; and (iv) develop or deploy AI solutions that violate applicable laws or regulations, including those pertaining to discrimination, data privacy, and consumer protection.

b. Data Security, Confidentiality, and Privacy. You must implement and maintain appropriate technical and organizational measures to protect the security and privacy of all data processed or stored through AI solutions. You shall not use, disclose, or permit the use or disclosure of any Confidential Information, including but not limited to trade secrets, business strategies, and proprietary processes, in connection with the development, implementation, or operation of AI technologies. Under no circumstances shall you use any Intellectual Property and Confidential Information, whether obtained through the System or otherwise, in connection with AI technologies. You must promptly notify us of any potential data security breaches or privacy violations involving your AI solutions.

c. Ethical AI Practices. You agree to employ AI technologies in accordance with industry best practices and ethical standards. This includes, but is not limited to, ensuring transparency, fairness, and accountability in AI decision-making processes.

d. Monitoring and Reporting. We reserve the right to periodically audit your use of AI solutions to ensure compliance with this provision. Upon request or as otherwise directed in the Operations Manual, you agree to provide us with regular reports on the performance and impact of your AI solutions, including metrics relevant to data security, privacy, and compliance in the form set forth in the Operations Manual.

e. Consequences of Breach. Any violation of this provision constitutes a material breach of this Agreement and entitle us to all remedies available under law and this Agreement, including termination of the Franchise Agreement. Notwithstanding anything set forth in these guidelines or the Operations Manual, you are solely responsible for ensuring your use of AI solutions and technologies comply with all applicable laws, rules and regulations, industry best practices, and any vendor supplier contracts. In no event will we be responsible for your use of AI solutions or technologies, and you shall defend and indemnify us in accordance with Section 20.2 of this Agreement for any losses and expenses incurred as a result of your use of AI solutions and technologies.

7.5 **Telephone System**. You must purchase and maintain the smart phone that meets our specifications to facilitate attendance and scheduling system for your various schools and facilities. The cost of your smart phone will depend on your wireless telephone carrier and the contract that you choose. We may require you to download and install certain mobile applications in connection with the operation of your Business. You must execute the Internet Websites, Telephone and Listing Agreement attached hereto as Exhibit D which will assign us all rights to your telephone number.

7.6 **Bank Account**. You must secure a bank checking account for your Business that is compatible with ours, such that it is both capable of direct deposit and electronic transfers. We reserve the right to require you to have a business bank account at a specific banking institution according to details listed in the Operations Manual.

8. FEES

8.1 **Initial Franchise Fee**. You are required to pay us an initial franchise fee of thirty-five thousand dollars ($35,000) ("Initial Franchise Fee") of which $15,000 ("Upfront Initial Fee") is paid at the signing of this Agreement and the remaining $20,000 ("Initial Fee Installment") is paid is paid in semi-annual installments of $2,000 which payments commence upon the sixth (6th) month anniversary of signing of this Agreement and the last payment ends upon the expiration of the Initial Term of this Agreement. The Initial Franchise Fee shall be deemed fully earned and non-refundable when paid, in consideration of our upfront administrative expenses. We offer a trial period ranging from 11 to 16 months depending upon when you commence operations ("Trial Period"). If (1) you do not desire to continue operating a Franchise after the Trial Period; and (2) you are in good standing with us and our affiliates and not in violation of this Agreement; and (3) you and your Owners and their respective spouses sign a General Release and mutual termination agreement in the form attached as Exhibit A to this Agreement; then we will waive collection of

any Initial Fee Installment due after the effective date of the mutual termination. We may choose to waive up to $14,500 of the Upfront Initial Fee if you have a positive referral from a current City Coach who is operating in another location. The total amount you owe us for any given Initial Fee Installment will be reduced by fifty percent (50%) if (i) you have met the Minimum Performance Standards as defined by Section 2.5 and by the Operations Manual; and (ii) your Designated Territory is a Rapidly Growing Territory as defined in this Agreement.

8.2 **Royalty Fees**. In addition to the Initial Franchise Fee, you will, for the entire Term of this Agreement, remit to us a monthly fee equal to fifteen percent (15%) of the Franchise's total monthly Gross Revenue (as defined in Section 8.6 hereof) in consideration for use of the Marks, Intellectual Property and System (the "Royalty Fee") on or before the 10th day of each month based upon Gross Revenue for the immediately preceding month. We reserve the right to change the frequency with which you pay Royalty Fees, in our sole discretion, upon written notice. Royalty Fees remitted to us will not be refundable under any circumstances. We waive the Royalty Fee during the first 6 months of operation of your Franchise. You will not pay a Royalty Fee on the first $2,500 of Gross Revenue each month until the 37th month after execution of the Initial Term of this Agreement. Upon the 37th month after execution of the Initial Term of this Agreement and for the remainder of the Initial Term and the entirety of any Renewal Term, you will pay the Royalty Fee on all Gross Revenue.

If you are in compliance with this Agreement and System Standards, then we will discount the Royalty Fee to seven and a half percent (7.5%) for all Gross Revenue received from private donations and grants. Any royalty reduction program for franchisees reaching certain customer satisfaction scores or based on charitable activities will be uniformly imposed and detailed in our Operations Manual and subject to change on 30 days' notice. You must be in compliance with this Agreement, Operations Manual, and any other agreements with us and our affiliates to qualify for any Royalty Fee reduction or discount.

8.3 **Supply Bundle Fees**. You are not required to purchase any minimum Supply Bundle quota from us at any point throughout this Agreement. However, many services provided within the System do require or recommend that a chess set and chess t-shirt be purchased for each newly enrolled student. The total Standard Bundle Price for the supplies to equip one new student, at the time of execution of this Agreement, is less than fifty dollars ($50). This amount may change over time. If you choose to order Supply Bundles from us during the Term of this Agreement, you must pay us the Standard Bundle Price plus a Handling Fee calculated as ten percent (10%) of the Standard Bundle Price. Any Ongoing Supply Bundle Fees you owe will become Payable Fees immediately upon your order and will be due and deducted from our subsequent monthly remittance to you. We waive collection of any Handling Fees during the first 6 months of operation of your Business.

8.4 **Brand Fund Fee**. We do not currently have a Brand Fund Fee, but if we institute one, you must pay to us a monthly fee in the same manner as the Royalty Fee is paid in Section 8.2 above, in an amount up to two percent (2%) of Gross Revenue for the immediately preceding month (the "Brand Fund Fee"). If we institute Brand Fund Fee, we waive the Brand Fund Fee during the first 6 months of operation of your Franchise. You will not pay a Brand Fund Fee on the first $2,500 of Gross Revenue each month until the 37th month after execution of the Initial Term of this Agreement. Upon the 37th month after execution of the Initial Term of this Agreement

and for the remainder of the Initial Term and the entirety of any Renewal Term, you will pay the Brand Fund Fee. The Brand Fund Fee is in addition to the Royalty Fee and amounts you must spend under Section 12.4 of this Agreement. We reserve the right to change the amount of the Brand Fund Fee (up to 2%) or the frequency with which you pay the Brand Fund Fee, in our sole discretion, upon thirty (30) days' prior written notice. You must pay the Brand Fund Fee directly to the Brand Fund. We may require that you use a portion or all of the Brand Fund Fee directly for local marketing in accordance with the provisions of Section 12.5. Brand Fund Fees remitted to us will not be refundable under any circumstances. We may periodically receive allowances, rebates or other payments from Approved Suppliers or any other supplier based on purchases from such suppliers by our franchisees, and we may elect (in our sole discretion) to contribute such allowances, rebates or other payments to the Brand Fund. You understand and acknowledge, however, that any such contribution of these amounts by us to the Brand Fund does not in any manner diminish or eliminate your obligation to pay the Brand Fund or require us to continue such contributions in the future.

8.5 **Initial Training**. "Initial Training" is provided free of charge for the Operating Principal and up to one (1) additional trainee (which must include your City Coach, if your Operating Principal is not your City Coach) so long as they attend training at the same time and prior to the commencement of operations. At your request, we will provide initial training to additional Owners or City Coaches or School Coaches at our then current fee, which is currently one thousand five hundred dollars ($1,500) per person. Any replacement Operating Principal or City Coach must be approved by us and must successfully complete Initial Training, for which you must pay us our then current fee. You agree that you are solely responsible for all travel and living expenses of all attendees including airfare, lodging, food, wages, and other expenses.

8.6 **Gross Revenue**. For the purposes of this Agreement, the term "Gross Revenue" means all the total dollar sales and revenue from your operation of the Franchise, from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by you in exchange for any form of monetary or non-money consideration (whether or not payment is received at the time of the sale or any amount is proved uncollectible). The majority of the Gross Revenue received from your Business operations is paid to an Affiliate under contracts with the schools and facilities where you provide services in your Designated Territory. We remit your Gross Revenue to you minus your Royalty Fee, Brand Fund Fee, Technology Fee and any other fees or expenses due to us under this Agreement the following month by the 10th. If the fees you owe to us in any month ever exceed your Gross Revenues for that month, you must pay us the balance by the 17th of that month.

8.7 **Reconciliation Statement** . We will provide you with a statement setting forth Gross Revenue generated during the immediately preceding month, our calculation of the fees due to us and any other pertinent information ("Reconciliation Statement"). We may change the form and content of the Reconciliation Statement periodically. Nothing contained herein shall prevent us from exercising any rights we may have under this Agreement, including declaring a breach under Section 18 hereof and termination of this Agreement.

8.8 **Manner of Payment**. You must send all proceeds, tuition, and other revenue you receive to us either by check payable to us, by electronic transfer, or by some other form of payment that we may prescribe in the Confidential Manual, with the financial report in a financial reporting format determined by us, on a not-less-than monthly basis. We will remit your portion of the Gross Revenues less associated Fees and charges for product purchases to you by the later of the business day on or after the 10th day of the following month or three business days after we have mutually agreed in writing on the correct remittance amount for the month. If you do not agree with the amount calculated, you and we must respond to each other in writing with updates within two (2) business days for each subsequent written communication until an agreement is reached. If an agreement cannot be reached, we will remit the lesser of the two amounts by the 28th day of that month and the remaining balance, if any, after an agreement has been reached by following the protocol for a disagreement described elsewhere in this Agreement. In the event that the monthly remittance at any point is insufficient to cover all Fees you owe us, you must submit a supplemental payment to us equivalent to the remaining balance you owe us on or before the 17th day of any such month. In such an event, you hereby authorize us to initiate collections from your business bank account in the amount owed. All Fees shall be deemed fully earned and nonrefundable when paid or deducted from a monthly remittance. We may, with written notice, designate another method or time period for payment. Before Commencement of Operations of the Franchise, you must provide us with your bank's name, address and account number, a voided check from such bank account, and sign and give to us and your bank, all documents, including Exhibit E to this Agreement, necessary to effectuate our ability to withdraw funds from such bank account via ACH electronic funds transfer. You must immediately notify us of any change in your banking relationship, including changes in account numbers. We reserve the right to change the structure or payment method of the Royalty Fee or Brand Fund Fee if required by applicable law.

8.9 **Payment Processing Reimbursement Fees**. You must reimburse us for your payment processing ongoing costs, such as credit card fees, ACH transfer fees and registration portal fees. If the costs we incur in any month exceeds both $195 and 4% of your Gross Revenue for that month, we will only charge you the greater of those two amounts. We defer collection of any Payment Processing Reimbursement Fees during the first 6 months of operation of your Business. You further acknowledge that your failure to pay all amounts that you owe us when due constitutes grounds for our terminating this Agreement.

8.10 **No Right to Set-Off**. You agree that you shall not, on grounds of the alleged nonperformance or default by us of any of our obligations under this Agreement, withhold payment of any fee or other amount payable to us under this Agreement or otherwise. Notwithstanding any designation you may make, we have the right to apply any of your payments to any of your past due indebtedness to us.

8.11 **Software and Technology Fee**. You are required to utilize the website, technology, email, information system and software we have or will create, develop and maintain for use by our franchisees and other technology we may require such as developing, improving, upgrading, modifying changing technology for the System including potential website development, loyalty programs, customer portals, mobile applications, software, phone systems, and maintenance, and support of our email system (the "Required Technology"). We may implement a monthly maintenance fee (the "Technology Fee") to cover the cost of the Required Technology, which amount, when implemented, shall be remitted with the Royalty Fee and Brand Fund Fee for each

month. The Technology Fee provides you with the Required Technology and the related ongoing support and maintenance we determine in our discretion, however, we reserve the right to increase the Technology Fee in the event we or our affiliates (i) develop and license to you additional software or other technology (including if we sublicense software our technology to you under a master agreement and pass through administrative costs or expenses to you); (ii) modify, improve, replace or enhance proprietary software or technology already licensed to you (as applicable); (iii) furnish you with other technology or e-commerce related software, maintenance and support services; or (iv) incur increased costs or expenses related to the Required Technology. The Technology Fee is in addition to software fees, costs or expenses you must pay directly to our Approved Suppliers (as hereafter defined). The Technology Fee will not exceed 1% of monthly Gross Revenues and you must pay to us a monthly fee in the same manner as the Royalty Fee is paid in Section 8.2 above.

8.12 **Non-Compliance Fee**. We may charge you a One Hundred and Fifty Dollar ($150) fee for per instance where you fail to submit any required report or information due to us under this Agreement or pursuant to the Operations Manual (including but not limited to, any Gross Revenue Report, financial statements or evidence of amounts spent to satisfy any Local Advertising Requirement). If such non-compliance is ongoing, we may charge you One Hundred and Fifty Dollars ($150) per occurrence per week until such report is submitted and the non-compliance is cured. This fee is a reasonable estimate of our internal cost of personnel time and other costs and expenses attributable to addressing the reporting non-compliance, and is not a penalty or estimate of all damages arising from your breach. The non-compliance fee is in addition to all of our other rights and remedies.

8.13 **Reimbursement**. To protect the reputation and goodwill of the brand, we may (but are never obligated to) pay on your behalf any amount that you owe to an Approved Supplier or other third party. If we do so, then you shall reimbursement us such amount plus an additional ten percent (10%) of the amount as an administrative charge within fifteen (15) days' of invoice by us accompanied by reasonable documentation evidencing payment.

9. TRAINING

9.1 **Initial Training**. Prior to commencing operations, we will provide Initial Training to your Operating Principal and City Coach (or one other attendee if your Operating Principal and City Coach are the same person for a total of up to two attendees). The Initial Training general covers sales and marketing, the services, administration procedures, staff training, insurance, bookkeeping, accounting, legal considerations, relevant computer-programs and applications, and quality control measures. We will provide, at our expense, instructors, facilities, training materials and technical training tools for the Initial Training. The Initial Training must be completed promptly upon execution of this Agreement and the Operating Principal and City Coach is expected to participate and satisfactorily complete Initial Training at least seven (7) days prior to opening your Business. This training will occur virtually as well as in Birmingham, Alabama or Houston, Texas or another location designated by us. You are solely responsible for all costs and expenses, incurred on your own behalf and by your Personnel in connection with the Initial Training.

9.2 **Continuing, Additional, Remedial, and On-Site Training**.

a. During the Initial Term of your Agreement, your Operating Principal and City Coach may be required to attend up to one (1) week or forty (40) hours of continuing training courses each calendar year either virtually, online, via webinars or at a location in person that we designate at our then current fee, which is currently one thousand five hundred dollars ($1,500) per person or two hundred fifty dollars ($250) per person per day. You will be responsible for all costs associated with Personnels' attendance at these courses. During each subsequent Renewal Term of your Agreement, your Operating Principal and City Coach will be required to attend during any odd years (for example, 2025 and 2027) up to two full days (maximum of 16 hours) of continuing training per year.

b. You may request additional training, which we may agree to provide in our sole discretion or we may require additional training upon renewal of this Agreement or upon a change in your Operating Principal or City Coach ("Additional Training"). If we provide Additional Training, you will pay us our then current fee, currently $1,500 per attendee plus you are responsible for all of your and your attendees' wages, travel, living and miscellaneous expenses incurred in connection with such Additional Training.

c. If we require any additional training ("Remedial Training") (which may include On-Site Training, as defined below) (i) that we determine is necessary or appropriate, in our sole discretion, to protect the quality, integrity and/or reputation of the System, Marks and/or Intellectual Property, including, without limitation, because you are in default or breach under this Agreement or otherwise in violation of our System Standards; or (ii) due to your failure to attend the Required Conference (defined below), then we will charge you our then-current fee, which is currently $1,500 per attendee to conduct such Remedial Training, plus you and your attendees' wages, travel, living and miscellaneous expenses incurred in connection with such Remedial Training. You will also be responsible for all of our expenses and costs including transportation and meals of our personnel.

d. We may provide Additional Training or Remedial Training at your Location or within your Protected Area ("On-Site Training") subject to availability of personnel and other factors in our sole discretion. If we provide On-Site Training, you will pay us the then current fee per trainer or per day or hours as we determine, to conduct the On-Site Training plus the trainers' wages, travel, living and miscellaneous expenses. We do not currently provide On-Site Training, but reserve the right to offer it. Additionally, any time after the end of your Trial Period, upon our specific written request with at least two (2) weeks' notice for up to three (3) calendar days or twenty-four (24) hours per calendar year, you or your employed City Coach must allow another City Coach of the System from another Business and Designated Territory to visit and observe your work for the purpose of learning from you. You agree to, during each of these visits, provide your best efforts to facilitating their learning.

e. Continuing Training, Additional Training, Remedial Training, and On-Site Training fees are fully earned and non-refundable when paid.

9.3 **Communicate with Our Network**. Periodically, we may schedule conference calls or virtual meetings for all of our network of franchisees to discuss and review existing programs, operational issues and future improvements to the System (the "Periodic Conference Calls"). You must attend by video or then-existing communication forms for these Periodic Conference Calls. In addition to communicating with our network of franchisees, you agree to communicate with the network of customers you develop over time within your Designated Territory via email on a monthly basis using email content provided by us.

9.4 **Conventions, Meetings, Retreats and Conference**. We may, in our discretion, hold seminars, meetings, retreats, conferences or conventions for our franchisees ("Required Conference(s)") at a location to be selected by us. We may require your Operating Principal and City Coach to attend any Required Conference. We currently do not charge a fee for the Required Conference(s), but we reserve the right to charge a registration fee for our meetings or conferences in an amount not to exceed the actual cost per attendee for such conference up to a maximum of $2,500 per attendee. You are responsible for all expenses, including transportation to and from any Required Conference, and lodging, meals, and salaries during any Required Conference. If your Operating Principal and City Coach does not attend any Required Conference, you will be responsible for making up any training offered at the conference at a time and location we designate in our sole discretion and at your sole expense, which expense may exceed the cost to attend the Required Conference. We may combine any Required Conferences with required continual annual training.

10. INTELLECTUAL PROPERTY AND MARKS

10.1 **Intellectual Property**.

a. You acknowledge that Brooks or us are the exclusive owner of the Intellectual Property, Marks, System Standards, and other elements of the System. All ideas, business ventures, concepts, inventions, techniques, processes, designs, or materials, and any modifications to the System or any substitutions or additions to the Intellectual Property suggested or developed by you concerning the Business, whether or not protectable Intellectual Property and whether created by or for you or one of your employees, must be promptly disclosed to us and will be deemed to be solely and exclusively our property, part of the System, and "works made for hire" as the phrase is defined in the Copyright Act of 1976 (17 U.S.C. 101 et. seq.) for us ("Creative Works"). You further acknowledge that any modifications to the System or any substitutions or additions to the Intellectual Property suggested or developed by you shall be owned exclusively by Brooks or us and may be incorporated by Brooks or us into the Intellectual Property without any compensation to you.

b. As such, you hereby assign and transfer to Brooks or us (as instructed) all of your entire right, title and interest in and to any Creative Works suggested or developed by you and in and to any and all works of authorship and processes embodied therein, and in all goodwill signified thereby, and any and all intellectual property rights and any legal equivalent thereof, including the right to apply for, register, or claim priority to, letters patent, copyrights, trademark, trade secret and other intellectual property protection, and the right to enforce such rights, title and interest by lawsuit or otherwise. Additionally, all

processes, ideas, concepts, methods, techniques or materials relating to the Business, whether or not constituting protectable intellectual property, and whether created by or on behalf of you or your Owners in connection with the development or operation of your Business, will be promptly disclosed to us. If we adopt any of them as part of the System, they will be deemed to be our sole and exclusive property and part of the System and deemed to be works made for hire for us. In addition, you hereby agree and covenant from time to time to execute and deliver such other documents or agreements and to take such other action as may be necessary or reasonable for the implementation of any assignment and the consummation of the transactions contemplated hereby. You hereby appoint us your true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete the assignment of any interest in any intellectual property rights described herein. This power of attorney shall survive the expiration or termination of this Agreement.

c. You shall use the System, the Marks, and the Intellectual Property only in connection with the operation of the Business and strictly in accordance with the terms of this Agreement and all policies set forth from time to time in the Operations Manual. Any unauthorized use of the System, the Marks and/or the Intellectual Property is and shall be deemed to be an infringement of Brooks' and our rights.

d. Except as expressly provided in this Agreement, you acknowledge and agree that: (i) you shall acquire no right, title or interest to the System, the Marks or the Intellectual Property, (ii) all goodwill associated with the System, the Marks and the Intellectual Property used by you shall inure exclusively to Brooks' or our benefit, and (iii) upon the termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System, the Marks or the Intellectual Property.

e. You acknowledge that the use of any computer or electronic medium, or social networking website, including but not limited to Facebook, LinkedIn, Twitter (X), Pinterest, Instagram, TikTok, Tumbler, SnapChat, YouTube, Groupon, Google, or any blogs or other bulletin boards, or chat rooms, other networking and share sites and any other Internet site which exploits, utilizes, displays, or otherwise makes use of any of the Marks or Intellectual Property is our sole property and you may not establish any such website, blog, Facebook page, LinkedIn account, Twitter (X) account, Pinterest account, Snapchat account, email distribution list, or other Internet account or presence, which exploits, utilizes, displays, or otherwise makes use of any of the Marks or Intellectual Property without our prior written consent and without granting us primary administrative rights to such account, site or page. We do not have to agree to any use of Social Media Platforms (as defined below) by you and we may, in our sole discretion, prohibit any use of Social Media Platforms by you or all of our franchisees. If we consent to your use of any Social Media Platforms, once we have approved the content of the material to be posted online and obtained primary administrative rights to the website, account, or page, then we will provide you with subordinate administrative access to, and guidelines for your use of such online mediums, such that you may promote, advertise, and market your Franchise locally. We retain ownership of the materials posted on any webpage or site. You have no right, title or interest to any webpage on any of your networking and websites including,

but not limited to, all "fans", "followers", "friends" and "contacts" associated therewith which mentions, uses or refers in any way to the Marks or Intellectual Property even if such webpage is established by you or otherwise held in the name of the Franchise or your Operating Principal or any of your owners and you agree to execute the Internet Website, Telephone and Listings Agreement attached hereto as Exhibit D. Upon expiration or termination of this Agreement, we retain all ownership of all content created during the Term and will remove your administrative access. In addition, you shall promptly submit to us all passwords for such site(s) and any changes to a password shall be submitted to us within three (3) days of the change. Your expenditures towards web based platforms such as Facebook, Twitter, LinkedIn, Instagram, blogs and other networking and sharing sites ("Social Media Platforms") or towards any material on any Social Media Platform that makes use of our Intellectual Property, Marks, name, brand, Products, or your Franchise whether created by us, you or a third-party ("Social Media Materials") may count towards any Local Advertising Requirement, if and when imposed.

f. You shall at no time take any action whatsoever to contest the validity, ownership, distinctiveness or enforceability of the Marks or Intellectual Property and the goodwill associated therewith. You agree that your use of all or any part of the System or the Intellectual Property contrary to any provision of this Agreement, or your use of any confusingly similar method, format, procedure, technique, system, name, trade dress, mark, symbol, emblem, slogan, insignia, term, designation, design, diagram, promotional material or course material, during or after the Term, shall cause irreparable injury to Brooks and us and shall constitute a material breach of this Agreement, and shall entitle Brooks and us to obtain temporary, preliminary or permanent injunctive relief from a court or agency of competent jurisdiction, and to recover court costs, reasonable expenses of litigation, reasonable attorneys' fees, and any other appropriate remedies.

g. You assign and transfer to us all rights or interests that you have or may have in any previous or current customer lists, lists of potential customers, and lists of referral sources, compiled by you during the Term of this Agreement (the "Lists"), with the result that the Lists are and remain our sole property. We grant you the right and license to use the Lists during the Term solely for the purposes contemplated by this Agreement.

h. Notwithstanding anything to the contrary, neither the expiration nor the termination of this Agreement shall affect our ownership of the items herein or alter any of our rights or privileges hereunder.

10.2 **Infringements and Claims**. You must notify us immediately in writing of any apparent (including suspected) infringement of or challenge to your use of any Mark or Intellectual Property, or claim by any person of any rights in any Mark or Intellectual Property or similar copyright, trade name, trademark or service mark of which you become aware. You must not communicate with anyone except us and our attorneys in connection with any such infringement, challenge or claim. You do not have the right to take any action to enforce or defend any rights associated with the Marks or Intellectual Property. We have the sole discretion to take whatever action we deem appropriate. We have the sole right to control exclusively any U.S. Patent and Trademark Office, U.S. Copyright Office, litigation or other proceeding or any other litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark or

Intellectual Property. We reserve the right, but are not required, to protect your right to use the Marks or Intellectual Property. We do not have any obligation under this Agreement to protect you against or reimburse you for any damages that you are held liable in any proceeding from your use of the Marks or Intellectual Property. We have the right to control any administrative proceedings or litigation arising from any affirmative action that we may choose to commence. You must sign any documents, give any assistance, and do any acts that our attorneys believe are necessary or advisable in order to protect and maintain our interests in any litigation or proceeding related to the Marks or Intellectual Property or otherwise to protect and maintain our interests in the Marks or Intellectual Property. You may not, at any time, contest the validity or ownership of any of the Marks or Intellectual Property, or assist any other person in contesting the validity or ownership of any of the Marks or Intellectual Property.

10.3 **Discontinuance of Use**. If it becomes advisable at any time in our sole judgment for your Franchise or the System to modify or discontinue the use of any of the Marks or for your Franchise or the System to use one (1) or more additional or substitute trademarks or service marks, you agree, at your sole expense to comply with our directions to modify or otherwise discontinue the use of such Mark or Intellectual Property, or use one (1) or more additional or substitute trademarks or service marks, within a reasonable time after our notice to you.

10.4 **Franchisee Name**. You may not use the words "Knight School" or any derivation thereof, in your legal entity's name. You will hold yourself out to the public as an independent contractor operating an The Knight School Franchise. Whenever practical, you will clearly indicate on your business checks, stationery, business cards, invoices, receipts, advertising, public relations and promotional materials, website, Social Media Platforms, and other written materials that you are a franchisee. You will file for a certificate of assumed name (d/b/a) in the manner required by applicable state and/or law to notify the public that you are operating as an independent business pursuant to this Agreement. Prior to adoption of your corporate and assumed name (if any), you shall obtain the written approval of such name(s) from us.

10.5 **Further Reservation Rights**. Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, in our sole and unrestricted discretion and as we may deem to be in the best interests of the applicable parties in any specific instance, to vary standards for any franchisee or franchisees based upon the peculiarities of a particular territory, density of population, business potential, business practice or other condition important to the successful operation of such Franchise. We may grant to one (1) or more franchisees variations from standard specifications and practices as we determine in our sole and unrestricted discretion, and we shall have no obligation to grant you like or similar variations. You acknowledge that, over time, we have entered, and will continue to enter, into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement does not affect our or your duties to comply with the terms of this Agreement.

11. DUTIES AND RESPONSIBILITIES

11.1 **Compliance with Applicable Laws**. You must obtain all required government licenses and permits for the establishment and operation of the Business and maintain such licenses and permits in full force and effect throughout the Term. You must operate the Business in

compliance with all applicable local, state and federal statutes, rules, ordinances and regulations and must take prompt and immediate action to correct any violation set forth in any notice issued by any governmental or municipal authority, with respect to the establishment and/or operation of the Business. You must promptly pay, when due, all taxes levied or assessed, including, without limitation, Federal and state income taxes, state sales taxes, if applicable, and all payroll taxes applicable to The Knight School Franchise.

11.2 **Compliance with Our Standards**. You acknowledge and agree that your advertising, operation and maintenance of the Business in accordance with System Standards are essential to preserve our goodwill including the goodwill of the System and the Intellectual Property. Therefore, at all times during the Term, you agree to operate and maintain your Business in accordance with each and every System Standard, as we periodically modify and supplement them during the Term. You agree to comply with our System Standards prescribed from time to time in the Operations Manual, or otherwise communicated to you in writing or other tangible form. System Standards may regulate any one or more of the following with respect to the Business:

a. required or authorized Services and Products;

b. designated or Approved Suppliers (which will include us) of Products and Services;

c. terms and conditions of the sale and delivery of, and terms and methods of payment for, Products and Services, that you obtain from us, Approved Suppliers, unaffiliated suppliers or others;

d. sales, marketing, advertising, promotional programs and materials and media used in such programs;

e. use and display of the Intellectual Property;

f. acceptance of or participation in credit cards, gift certificates, coupons, other payment systems and check verification services, giveaways, and the like;

g. bookkeeping, accounting, data processing and record keeping systems, including software, and forms; methods, formats, content and frequency of reports to us of sales, revenue, financial performance and condition; and furnishing tax returns and other operating and financial information to us;

h. obtaining required licenses and permits; adhering to good business practices; observing high standards of honesty, integrity, fair dealing and ethical business conduct in all commercial dealings;

i. regulation of such other aspects of the operation and maintenance of the Business that we determine from time to time to be useful to preserve or enhance the efficient operation, image or goodwill of the Intellectual Property;

j. standards for customer service and vendor relations; and

k. specific manner in which services must be delivered.

11.3 **Mandatory Minimum Service Standards**. Currently, we designate the following System Standards as critical to maintain the quality and goodwill of the System and in order to ensure the integrity and consistency of The Knight School brand and programming. In addition to those set forth in the Operations Manual, you must strictly comply with the following System Standards at all times and any breach of these provisions constitutes an automatic default of this Agreement:

a. Students must never be left unattended by an instructor. For carpools, students remain in cars until an instructor indicates disembarking, and after class stands at curb until the final student has been picked up. For after-school classes, the instructor needs to be in the room by the time the first attendee arrives. The instructor must maintain supervision of all the kids in their care throughout the entirety of the class and remain present until all kids have been picked up by their respective guardians and caretakers.

b. Your instructors may never arrive late, leave early or fail to arrive for a scheduled class.

c. Your Personnel may never be left one-on-one with any students or minors.

d. Your Personnel shall never be distracted on cell phones or other electronic devices. Electronic devices are strictly to be kept out of sight, for coaches and students alike. Phones are strictly to be viewed by coaches/visible to students only while taking roll or to quickly resolve an urgent communication with a parent or coach about the current/ongoing class.

e. Your Personnel must never present unauthorized content to any students or attendees and your Personnel must ensure that no unauthorized pictures, videos, music, media in general, or use of any other media are presented to students in any way.

f. Authorized, approved and relevant content must be presented during each Little Geniuses Preschool Chess, The Knight School Elementary Chess, and Summer Chess Camp session. Instructors must utilize the lessons available, ensuring a consistent and high-quality experience for all students nationally.

g. Instructors in the room must engage the kids and ensure they are having fun and learning. This requires pausing, interjecting, occasionally fast-forwarding, and generally co-teaching with the pre-recorded coach on the screen. Simply playing the video through from beginning to end is not in accordance with System Standards.

h. All instructors in the room must be actively engaged with the class the entire time the students are present. This is true for instructors leading the class as well as for assistant instructors who are just there to help or observe. All instructors must seek to interact with the kids throughout the class in a warm and professional way, especially during the chess tournament time.

i. Whenever you make any kind of specific promise to families or schools, you must either fulfill your promise or provide a full or partial refund acknowledging your inability or failure to fulfill it. This applies to everything you communicate in an email, over the phone, or through your enrollment portal page. For example, if you promise to provide pizza to your students, you must provide them with pizza. If you fail to do so for any reason, you must let families know and provide a partial refund to account for the inconvenience and value issue.

j. Each of The Knight School programs include freebies, which are part of the chess tuition. Details regarding which freebies to distribute are noted in detail in the Operations Manual. Unless a deviation is specifically approved in writing in advance by TKSA, freebies must follow the specific standards set forth in the Operations Manual. All programs require distributing a particular color of t-shirt and a particular set of wristbands. The Knight School Elementary Chess, Little Geniuses Preschool Chess, and several other programs require distributing a chess set as well.

k. All instructors must be highly trained to understand that they should never allow kids to have access to consumables unless they are sure there are no relevant food allergies and remain constantly vigilant and updated on any food allergy issues of attendees.

11.4 **Modification of System Standards**. We may periodically modify System Standards, which may accommodate regional or local variations as we determine. You understand and acknowledge that our changes to System Standards may include, among other things, changes to the Intellectual Property, Products and services to be offered at the Businesses, and any changes to the Operations Manual. You agree to comply with any such changes to System Standards.

11.5 **Proprietary Supplies**. You may elect to purchase Supply Bundles from us at the price described in Section 8.3. We have no obligation to evaluate or consider alternative suppliers of Proprietary Supplies. We may voluntarily elect to consider alternative suppliers from time to time at our own sole discretion.

11.6 **Approved Products and Services**. You must not sell instruction services, Products or other items or services at or through the Business that we have not previously approved for sale. You must maintain the capacity to perform the services sufficient to meet the daily demands of the Business.

11.7 **Approved Suppliers**. We will only approve suppliers who demonstrate to our continuing reasonable satisfaction the ability to meet our standards and specifications; who possess adequate quality controls and capacity to supply your needs promptly and reliably; and who have been approved in writing by us and not thereafter disapproved. We will furnish to you a list of Approved Suppliers. If you desire to purchase or lease any unapproved product, supplies, service or equipment or purchase or lease any approved product, supplies, service or equipment from an unapproved supplier, you must notify us in writing and request approval. We have the right to require that our representatives be permitted to inspect the proposed supplier's facilities and test or evaluate the proposed supplier's product, supplies, service or equipment. We have the right to request that samples be delivered to us or to an independent testing facility chosen by us. A charge

not to exceed the reasonable cost of the inspection and the actual cost of the test will be paid by you or the supplier. We will, within thirty (30) days of receipt of a completed request and completion of the evaluation and testing, notify you in writing of our approval or disapproval of the supplier and/or the proposed product, supplies, service or equipment. If you do not receive our response within the 30 day-time period, the request is deemed disapproved. We reserve the right, at our option, to reinspect the facilities of any such approved supplier and to re-test or re-evaluate any previously approved Products, supplies, service or equipment and to revoke our approval upon the supplier's failure to continue to meet any of our then-existing suppliers' products, equipment or service criteria, or as otherwise reasonably determined by us. We may not maintain written criteria for approving suppliers and therefore such criteria may not be available to you or your proposed suppliers. Our list of Approved Suppliers, as it may change over time, will be provided and updated in the Operations Manual.

11.8 **Distribution Cooperatives**.

a. We may, in the future, approve the formation of distribution cooperatives, which may provide for regional production of Products to service Businesses in that region as well as other services relating to production and distribution. If we authorize the formation of any distribution cooperative or similar organization ("Distribution Cooperative") for our franchisees then you agree to participate and join such Distribution Cooperative, agree to be bound by the organizational, charter and other documents of the Distribution Cooperative (which documents we must approve) and pay any fees determined by the Distribution Cooperative. We do not make any express or implied warranties with respect to any Products or goods we recommend or require for your use.

b. We may, in our sole discretion, negotiate discounted prices for us and franchisees. We may receive compensation from suppliers for our procurement and purchasing services. We may also purchase certain items from suppliers in bulk and resell them to you at our cost, plus shipping fees and a reasonable markup.

c. We may also enter into arrangements with our manufacturers and acquire inventory in bulk for cost savings and quality control. Thus, we may purchase in bulk certain inventory and either resell those items to, or have suppliers sell direct to, you at discounted prices that we negotiate (subject to any rebates the suppliers pay to us for our purchasing and sourcing services). We make no representations or warranties (and specifically disclaim all warranties including the implied warranty of merchantability or fitness for a particular purpose) and shall have no liability to you with respect to the items that you purchase from us.

11.9 **Representations on No Customer Financing**. You represent and warrant that you will not borrow money from any person, at any time, who is or was previously a customer or student of The Knight School Franchise or from any member of the family of any customer or student.

11.10 **Insurance**. You agree to secure and to maintain in full force and effect throughout the remainder of the Term of this Agreement and the entirety of each Renewal Term, at your expense, insurance policies protecting you and us, and our respective officers, members, and

employees, against any loss, liability, personal injury, death, property damage or expense whatsoever arising or occurring in connection with The Knight School Franchise and the operations of the Business, as well as such other insurance as we may reasonably require, as listed on Schedule II to this Agreement.

a. The cost of the insurance policies will vary depending on the insurance carrier charges, terms of payment and your history. The standards and specifications for insurance coverage as set forth in the Operations Manual are intended as "minimum" standards and you must review your insurance coverage and policies, and you should consult with your insurance agents, brokers, attorneys or other insurance advisors, to determine if additional coverage is necessary, desired or appropriate for your Franchise in addition to the coverage and limits required by us. If you for any reason fail to procure or maintain the insurance required by this Agreement, we will have the right, at our option, to procure such insurance and charge that expense to you, which charge, together with a reasonable fee for our expense in so acting, will become a Payable Fee you owe us immediately upon notice. We may change these insurance requirements, upon reasonable notice to you, to conform to reasonable business practices. Each insurance policy required under the Operations Manual must contain a provision that the policy cannot be cancelled, amended, renewed or expired without at least thirty (30) days' prior written notice to us. The insurance must be primary coverage without the right of contribution from any of our insurance. We do not represent or warrant that any insurance that you are required to purchase, or which we procure on your behalf, will provide adequate coverage for you. The requirements of insurance specified in this Agreement and in the Operations Manual are for our protection. If you believe that you should not be required to carry an identified type of insurance or otherwise comply with our minimum insurance requirements, you must submit a written waiver request and obtain a waiver from us. Until such time as we notify you in writing of our approval, you are obligated to comply with all minimum insurance requirements. The policies must also contain a waiver of subrogation.

b. Each insurance policy required under this Agreement and/or the Operations Manual must contain an endorsement approved in writing by us naming us as additional insureds and an additional insured endorsement approved in writing by us naming us, our affiliates and our respective officers, directors, managers, partners, members, affiliates, subsidiaries and employees as additional insureds. Additional insured status shall include, without limitation, coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20-29 or any other form approved in writing by us that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) the negligent acts, errors or omissions of us or other additional insureds. You shall maintain such additional insured status for us and the additional insureds outlined above on your general liability policies continuously during the Term.

c. Your obligations to obtain and maintain the foregoing policy or policies of insurance in the amounts specified herein will not be limited in any way by reason of any insurance that may be maintained by us, nor will your performance of that obligation relieve you of any liability under the indemnity provision set forth in this Agreement. Your insurance procurement obligations under this Section and as specified in the Operations

Manual are separate and independent of your indemnification obligations under this Agreement.

d. Prior to the time any insurance is required to be carried by you, and thereafter prior to the renewal of any such policy, you must submit to us a copy of the certification of insurance evidencing such coverages that are required by this Section and the Operations Manual. Within 5 days after the policy is issued, you shall provide the declarations page for each of the required coverages, all additional insured endorsements and evidence of premium payment. Certificates of insurance alone are not acceptable. Our review and verification of certain elements of your insurance does not in any way reduce or eliminate your obligations to fully comply with all of the insurance requirements set forth in this Agreement and/or in the Operations Manual. It is your sole obligation to fully comply with these insurance requirements and it is your sole obligation to confirm with your insurance providers that your policies are in compliance.

11.11 **Payment of Debts**. You are solely responsible for selecting, retaining and paying your employees, the payment of all invoices for the purchase of goods for use in the Business, and determining whether, and on what terms, to obtain any financing or credit which you deem advisable or necessary for the conduct of the Business. You shall pay all current obligations and liabilities to suppliers, lessors and creditors on a timely basis. We have the right, but not the obligation, to pay any such obligations or liabilities on your behalf. You shall indemnify us in the event that we elect to pay any of your liabilities and obligations in order to preserve the relationship between Approved Suppliers and System franchisees. You shall make prompt payment of all federal, state and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, and personal property and real estate taxes, arising from your operation of the Business. You shall indemnify us in the event that we are held responsible for these taxes.

11.12 **Notification of Legal Proceedings and Crisis Events**. You will notify us in writing as soon as possible but in no event more than twenty-four (24) hours of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, of which you become aware and which may adversely affect the operation or financial condition of your Business. Upon the occurrence of a Crisis Event (defined below), you will immediately inform us by telephone and email (or other electronic medium authorized by us for this purpose). You will cooperate fully with us with respect to our response to the Crisis Event. In the event of the occurrence of a Crisis Event, we may also establish emergency procedures, which may require you to temporarily close the Business to the public, in which event we shall not be liable to you for any loss or costs, including consequential damages or loss profits occasioned thereby.

For purposes of this Section, a "Crisis Event" is any event or business interruption that runs the risk of (1) escalating in intensity; (2) adversely impacting Franchised Business's financial position; (3) causing harm to Customers, Personnel or the public or damage to their respective property or the environment; (4) falling under close media or governmental or regulatory scrutiny; (5) interfering with normal operations and wasting significant management time and/or financial resources; (6) adversely affecting Personnel morale; or (7) jeopardizing the Business, the Marks or the System's reputation, image, products, brand, intellectual property, or management and

therefore negatively impacting its future. Without limiting the foregoing, a Crisis Event shall include contagious diseases, natural disasters, terrorist acts, shootings, or any other circumstance, which may damage the System, Marks, or our image or reputation.

11.13 **Press Releases**. You will not issue any press release or conduct any interviews regarding your Business without our prior express written approval.

11.14 **Contributions and Donations**. You will not make any contributions or donations of items, services, or money to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic, or other type of organization (or to any individual on behalf on any organization) in the name of the Business or otherwise associate with any Mark, without our prior express written consent.

11.15 **Market Tests/Surveys**. Upon notice by us, you are required to participate in market tests or surveys. This may require you expend time and effort to: (1) respond to questions and provide information and data and statistics about the operation of your Business, customers, marketing and promotion efforts, or business partners; (2) test, evaluate and assess Products, suppliers, vendors; or (3) provide feedback, opinions and comments on System Standards, the Brand Fund, our personnel, training, Operations Manual, technology or other components of the System.

11.16 **Best Efforts and Personal Conduct**. You shall refrain from committing any act or pursuing any course of conduct that tends to bring the Marks or System into disrepute. You shall use best efforts to promote and increase the demand for the Products of the Business. All of your advertising and promotion shall be completely factual and shall conform to the highest standards of ethical advertising. You shall refrain from any business or advertising practice which may be injurious to the Business or the goodwill associated with the Marks and System.

11.17 **Disclosure of All School Locations and Registrant**. You agree that, during the Term of this Agreement, you will disclose for your Designated Territory each and every school location and chess activity you operate in the form and at the intervals we prescribe in the Operations Manual. This includes any and all The Knight School classes or events and specifically includes all the following classes: The Knight School elementary, Little Geniuses preschool, Chess Nuts kindergarten, Summer Camp, Summer Intensives, Varsity, School Pay classes, and any other chess activity or event regardless of name or title. You additionally agree to disclose each registration for each of your chess classes to us.

11.18 **Vehicles**.

a. You will, at your expense, repair and keep in good condition and good working order at all times the vehicle used in connection with The Knight School Franchise in accordance with our quality standards. We determine whether your vehicle meets our definition of good condition and good working order in our sole discretion.

b. You will ensure that only authorized Personnel with valid drivers' licenses operate the vehicle and the vehicle in compliance with all traffic and safety laws.

c. You must comply with all laws, regulations and rules of the road and use due care and caution operating and maintaining the motor vehicles and you are solely responsible for ensuring your compliance with such requirements.

12. ADVERTISING AND MARKETING

12.1 **Generally**. All your advertising must conform to all provisions of this Agreement and the System Standards. All advertising, promotion and marketing must be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and promotion policies that we prescribe from time to time. In no event will your advertising contain any statement or material which may be considered: (a) in bad taste or offensive to any group or person, (b) defamatory on any person or an attack on a competitor, (c) inconsistent with our public image, or (d) not in accord with System Standards. We have the right to direct all advertising and promotional programs and activities, and the right to control and approve all the concepts, materials and media used in such programs and activities. We may place your Business contact information on our Website. We may periodically provide you, at your expense, with consumer marketing plans and related materials for use at the local or regional level. We may periodically furnish you with samples of advertising, marketing and promotional formats and materials templates which you will then have the right to copy at your expense. We and our affiliates reserve the right to be the exclusive suppliers of the advertising materials used in the System. We may modify any of our advertising specifications on reasonable written notice to you. Samples of all advertising, promotional and marketing materials, or your proposed modifications to any of our specifications for advertising, which we have not prepared or previously approved must be submitted to us for approval before you use or modify them. Unless a shorter time period or alternative method is specifically set forth in this Agreement, if you do not receive our written disapproval or approval within fifteen (15) days after our receipt of such materials, the materials are deemed not approved. You must promptly discontinue use of any advertising, marketing or promotional plans, specifications or materials, whether or not previously approved, on notice from us. We reserve the right to require you to include certain language in your local advertising materials, such as "Franchises Available" and the addresses of our Website and phone number.

12.2 **Local Advertising Requirement.** You may be required to spend up to one percent (1%) of monthly Gross Revenue on local advertising and promotion in accordance with the parameters, specifications and standards outlined in the Operations Manual (the "Local Advertising Requirement" or "LAR"). If and when we implement a LAR, then we will provide you thirty (30) days' advance written notice. The LAR must be expended within your Designated Territory. You acknowledge and agree that your LAR must be expended regardless of the amount(s) spent by other Knight School franchisees on local advertising. You may spend any additional sums you wish on local advertising. Upon our request, you must send us proof of these expenditures on a monthly basis, or in any other manner as we may specify. We may reduce the LAR based on the Gross Revenue of your Business, as further outlined in the Operations Manual. We may require you to place advertising in specific media, such as print, social media and direct mail, and determine what percentages of your advertising should be allocated to each medium. You may count expenditures paid for Social Media Platforms or Social Media Materials towards your LAR.

12.3 **Grand Opening Advertising**. You are not required to spend any initial minimum for grand opening advertising to promote the opening of your Business. However, you must submit samples of all grand opening advertising and promotional, marketing or other similar materials you intend to use for grand opening, local or other advertising which are not prepared or previously approved by us, for approval. If you do not receive our written disapproval or approval within fifteen (15) days after our receipt of such materials, the materials are deemed not approved.

12.4 **Brand Fund**. Recognizing the value of advertising and marketing to the goodwill and public image of the System and the Franchises, we may in the future establish a Brand Fund (the "Brand Fund") for such advertising, marketing and public relations programs and materials we deem necessary or appropriate. We reserve the right to defer or reduce the Brand Fund for your Franchise and, upon thirty (30) days' prior written notice to you, to reduce or suspend contributions to and operations of the Brand Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Brand Fund. If the Brand Fund is terminated, all unspent monies on the date of termination will be distributed to our franchisees in proportion to their respective contributions to the Brand Fund during the preceding 12-month period.

12.5 **Use of the Funds**. We or our designee will direct all programs financed by the Brand Fund, including the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. You agree that the Brand Fund may be used to pay any and all costs of maintaining, administering, directing and preparing advertising and promotional activities, including, among other things, the costs of (a) preparing and producing video, e-commerce, website or software enhancements, audio and written advertising, marketing, or promotional materials; (b) professional service fees to our designer and other marketing professionals and salary costs of in-house marketing staff; (c) exploratory marketing and advertising campaigns whether or not ultimately acted upon; (d) operation or marketing techniques; (e) research and development of marketing materials; (f) administering regional and multi-regional advertising programs, including, without limitation, purchasing e-commerce rights, services, direct mail and other media advertising and employing advertising, promotional and marketing agencies; and (g) supporting public relations and market research. We reserve the right to include "Franchises Available" or similar language along with our contact information on any advertising purchased through the Brand Fund. The Brand Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at no cost, which you may duplicate at your own cost. Multiple copies of such materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges.

12.6 **Accounting for the Fund**. The Brand Fund will be accounted for separately from our other funds, but does not need to be in a separate account, and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Brand Fund and its programs, including, without limitation, conducting market surveys, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Brand Fund. We may spend, on behalf of the Brand Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Franchises to the Brand Fund in that year, and the Brand Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Brand Fund will be an asset of the Brand Fund. We are not required to provide franchisees with periodic accounting of the Brand Fund, including

the fees paid into the Brand Fund by franchisees, but if we do prepare an accounting of the Brand Fund, it will not be audited and we will make it available to you upon your written request that must be submitted to us. We have the right to cause the Brand Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified in this Agreement.

12.7 **Brand Fund Limitations**. You acknowledge that the Brand Fund is intended to maximize recognition of the Marks, Intellectual Property and patronage of Franchises. We undertake no obligation to ensure that expenditures by the Brand Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Fund by Franchises operating in that geographic area or that any Franchise will benefit directly or in proportion to its contribution to the Brand Fund. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to the Brand Fund.

12.8 **Advertising Cooperatives**. We have the right, in our sole discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"). We may also approve of the formation of a Cooperative by our franchisees. If a Cooperative has been established applicable to your Franchise at the time you open your Franchise, then you shall immediately become a member. If a Cooperative is established that is applicable to your Franchise at a later time during the Term, then you shall become a member no later than thirty (30) days after the date on which the Cooperative commences operations. If established:

a. each Cooperative shall be organized, governed, and administered in a form and manner, and shall commence operation on a date, approved in advance by us in writing;

b. each Cooperative shall be organized for the exclusive purposes of administering regional advertising programs and developing, subject to our approval, standardized advertising materials for use by the members in local advertising and promotion;

c. each Cooperative shall have the right to require its members to make contributions to the Cooperative in such amounts as are determined by the Cooperative by majority vote, but no greater than 0.25% of Gross Revenue, and your failure to make any such payments is a breach of this Agreement;

d. each member shall submit to the Cooperative its contribution in the manner set forth in the Operations Manual or in the Cooperative's bylaws, which must be approved in advance by us in writing; and

e. you may offset your LAR by any amounts paid by you to the Cooperative.

12.9 **Telephone Directory Advertisements**. At your expense, you must obtain a telephone number that will only be used for the Franchise. Upon termination or expiration of this Agreement you will assign such telephone number to us. You must execute the Internet Websites, Telephone and Listing Agreement attached hereto as Exhibit D which will assign us all rights to your telephone number.

12.10 **Advisory Council**. We reserve the right to form a franchisee advisory council. Any advisory council created will act in an advisory capacity only and will not have decision making authority. We will have the right to form, change, merge and dissolve any advisory council at any time. The membership of any advisory council may be determined in our sole discretion and you have no right to sit on an advisory council. If you are chosen and agree to participate on an advisory council, you will pay all costs and expenses you incur related to your participation, including travel, lodging and meals expenses for attending council meetings.

12.11 **Marketing Plan**. We will provide you with written guidance included within the Operations Manual that you may follow to gather information on the demographics of the Designated Territory and the sources of advertising that are available in the area in order to solicit both schools and students. We do not guarantee or warrant any specific level of success from the marketing plan.

12.12 **Advertising Consultation**. We may, upon your reasonable request, provide you advice about the recommended form and content of your advertising programs. We cannot guarantee and do not warrant any specific level of success from any particular advertising advice or program.

12.13 **Photo/Video Release**. You acknowledge and authorize us to use your likeness in a photograph or video in any and all of our publications, including printed and digital publications and on Websites. You agree and understand that any photograph or video using your likeness will become our property and will not be returned. You agree and irrevocably authorize us to edit, alter, copy, exhibit, publish, or distribute any photograph or video of you for any lawful purpose. You agree and waive any rights to royalties or any other compensation related to our use of any photograph or video of you. You agree to hold harmless and forever discharge us from all claims, demands, and causes of action that you may have in connection with this authorization. For purposes of this Section, "you" shall refer to your owners if you are a legal entity.

13. OPERATIONS MANUAL AND FRANCHISOR GUIDANCE

13.1 **Operations Manual**. Before the start of your Initial Training, we will provide you, on loan, one (1) physical or electronic copy of our Operations Manual. Thereafter, we will provide confidential access to our Operations Manual by any method we select. The Operations Manual may be supplemented by periodic downloading, operating bulletins, e-mail, and similar communications that together with the Operations Manual contain the mandatory and suggested procedures, specifications and rules that we prescribe for The Knight School Franchise. We may during the Term of this Agreement change the Operations Manual from time to time. If the Operations Manual is updated during the Term of this Agreement, we will notify you in writing. You must at all times treat the Operations Manual as confidential, and will use all reasonable efforts to maintain such information as secret and confidential. You must not, at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce the Operations Manual, in whole or in part, nor otherwise make the same available to any unauthorized Person.

a. We have provided to you, for use during the Term of this Agreement, one (1) copy of our Operations Manual. The Operations Manual contains mandatory

specifications, standards, and operating procedures prescribed from time to time by us for our franchisees.

b. You must conduct the operation of the Business in accordance with our methods and procedures as prescribed from time to time in the Operations Manual and in all supplemental bulletins and notices, which will be deemed a part thereof.

c. The Operations Manual may be modified from time to time to reflect changes in the methods, standards and specifications and operating procedures approved or required for our franchisees, and all such modifications will be binding upon you when delivered to you, as if originally set forth therein; provided, however, that such modifications will not impose any obligations that are materially more onerous or costly than those imposed by this Agreement.

d. You must keep your copy of the Operations Manual current and in the event of a dispute about the contents of the Operations Manual, the master copies maintained by us at our principal office will be controlling. You will maintain the Operations Manual strictly confidentially and will not at any time copy any part of the Operations Manual, disclose any information contained in the Operations Manual to others (except to the extent such information is otherwise lawfully publicly known or available) or permit others access to the Operations Manual.

e. The Operations Manual will at all times remain our exclusive property and will be returned to us promptly upon termination or expiration of this Agreement. You understand and agree that it is of substantial value and importance to us and other franchisees, as well as to you, that the System developed by us establish and maintain a common identity. You agree and acknowledge that compliance with the System and the Operations Manual is essential to preserve, maintain and enhance the reputation, trade demand and goodwill built up by the System, and the Intellectual Property used in connection therewith; and that your failure to operate the Business in accordance with the System and the Operations Manual will cause irreparable damage to us and our other franchisees, as well as to you.

13.2 **Ongoing General Consultation**. We will, upon reasonable request, consult with and advise you by mail or by telephone with respect to matters pertaining to the operation of your Business, the Operations Manual and the System Standards. We will also meet with you upon reasonable notice and at reasonable times for training in those portions of System that you are having problems regarding the operation of your Business. Any consultation we provide does not guarantee the success or profitability of your Business, nor does it dictate the decisions or requirements you establish for your Businesses employment policies or any other policies not specifically dictated by the System or required by the Operations Manual.

13.3 **Conformance to Operations Manual**. You will operate The Knight School Franchise and all activities in connection therewith in conformity with the standards, operating procedures and policies set forth in the Operations Manual, as reasonably modified from time to time by us, and as we may otherwise from time to time reasonably notify you in writing at least ninety (90) days in advance of any changes. This includes standards targeting business growth

efforts in your Designated Territory, such as a minimum requirement for franchisees to send an email to at least twenty (20) local prospective partner schools each month, inviting them to partner.

13.4 **Product and Service Limitations**. You are restricted solely to the offering of the System at the Business. Without our prior written consent, to be exercised in our sole discretion, you are expressly prohibited from engaging in the business of offering any other services or Products in the Business. Further, the rights herein granted to you are specifically limited to the Business. You agree that you will not use any aspect of the System, including the Intellectual Property, or the Operations Manual, at any other business, either within or outside of your Designated Territory, without our prior written consent, to be exercised in our sole discretion. You will not solicit, promote or advertise for business outside of your Designated Territory through the use of a toll-free number, the Internet or any other computerized on-line service, direct mail or other advertising method.

14. REPORTS, AUDITS AND INSPECTIONS

14.1 **Reports**. We may require you to send us any records described in Section 12 at any time during or up to seven (7) years after the Term of this Agreement. Additionally, during the month of May of each calendar year after the end of the Start-Up Period, you must, at your own expense, submit to us (i) a copy of the Business's most recent yearly federal income tax return, (ii) a current copy of any Certificate of Insurance that may be required by Section 11.10 (iii) your business goals for the upcoming School Year using the format provided in the Operations Manual, (iv) documentation of all payroll tax from the prior calendar year (such as Form 941 for each quarter), (v) copies of all nondisclosure agreements accrued through your Business within the past two (2) calendar years according to the requirements in the Operations Manual, (vi) the total number of enrolled students in your territory at any one time during the most recent school semester (annual census), and (vii) any additional annual reporting documentation we may reasonably choose to add to or update within the Operations Manual from time to time. Additionally, during the first May after your Start-Up Period, you must, at your own expense, submit to us (i) a copy of your fully signed and executed Business Operating Agreement, (ii) your state Certificate of Formation, (iii) your state Certificate of Filing, (iv) your state assumed business name certification, and (v) a detailed itemization of your Start-Up Period expenses spanning the duration from the execution of this Agreement until three (3) months after your Commencement of Operations. Additionally, on a monthly basis coinciding with your reply to the monthly Reconciliation Statement, you must, at your own expense, submit to us (i) the date you sent a copy of our standard monthly newsletter to your families, (ii) an up-to-date tally of Robust Class Locations you currently operate, (iii) the total number of contact attempts you made during the previous month, and (iv) progress updates towards annual goals. We also reserve the right to change the timing and frequency of this paragraph's reporting requirements, and you must abide by any changes we make from time to time if and when we notify you in writing of such changes.

14.2 **Records**. You must maintain for at least seven (7) years from the date generated, the original, full and complete records, including but not limited to, copies of all prepared tax returns, computer records, bank statements, accounts, books, ledgers, data, licenses and contracts that reflect all aspects of your Business.

14.3 **Right to Audit**. We have the right, but not the obligation, during business hours, without prior notice, to audit and inspect your Business, and your business and financial records and information, including, but not limited to, computer databases and hard drives, smart phones and tablets, cloud storage, other computer file data storage media, receipts, account history for any and all personal and business payment accounts (such as Venmo, PayPal, and Cash App), work in progress, bank statements, checks, checkbooks, deposit records, student contracts and other documents evidencing student obligations, financial reports including but not limited to profit and loss reports, employee and prospect nondisclosure agreements, the tax returns and Form 941s filed on behalf of your business, and your personal tax returns in order to verify you have remitted full payment to us as required by this Agreement and to ensure the quality and uniformity of the services offered under the Intellectual Property, and to ensure you have met all obligations contained in this Agreement and all collateral agreements. We may perform all or part of an audit by asking you to send documents or items to us and you must send to us at your expense all documents and items we request within a reasonable time set forth in any such request.

14.4 **Access to Information**. You grant us permission to enter, access, or electronically enter any computers, smart phones, tablets, and or email accounts found or used in your Business to conduct these audits and inspections, and you must assist us in any way we request. You additionally grant us and our agent permission to request and access agreements, books, and financial records from any third party school, entity, or individual concerning their past financial transactions with you. If we find any deficiencies, you agree to correct them immediately. These audits and inspections will be made at our expense unless they are necessary because you fail to comply with this Agreement, you fail to allow us full access to all records that you are required to maintain, or we find that you underreported your Gross Revenues by two percent (2%) or more during two or more reporting periods. These expenses may include, but are not limited to, travel expenses and room and board for the designees who conduct the audit.

14.5 **Obligations Upon Termination or Expiration**. Our right to audit and your obligation to cooperate with any audit does not end with the termination or expiration of this Agreement or the transfer or sale of the Franchise or the Business, but continues for the period for which records must be maintained in Section 14.2.

15. RESTRICTIVE COVENANTS

15.1 **Confidential Information**. During the Term, we will give you, and you will have access to, a variety of information concerning us, our affiliates, our business and the System including, without limitation: the Operations Manual; System Standards; the Intellectual Property; methods for operating, managing and developing the Franchise; Products and Product sales, marketing, distribution, performance, methods, techniques, training methods, equipment or supplies; recruitment, training, coordination, marketing or compensation methods; reporting methods, and techniques; advertising, marketing, promotion, recruitment, human resourcing, training, sales and merchandising strategies, techniques and initiatives; any related underlying materials, analyses, compilation, forecasts, research or market studies; our prototype and layout of our Business; proprietary software (if applicable); student, attendee, registrant and customer lists; referral sources; billing and collection methods; training materials; know-how; procedures and methods of food preparation (including the methods of serving our Product); financial information; Computer System; other information about us and information about our Approved Suppliers;

strategic partners, franchisees, business plans, employees, and independent contractors (collectively, the "Confidential Information"). We consider the Confidential Information to be proprietary, confidential, and our trade secrets. You acknowledge that we and our affiliates have expended and continue to expend great amounts of time, money and effort in devising and processing the Confidential Information.

15.2 **Restrictions On Use**. You will use your best efforts and diligence both during and after the Term to protect the Confidential Information and our goodwill. You will not, directly or indirectly, use (for yourself or others) or disclose any of the Confidential Information to any other person or entity except as is necessary for the operation of your Franchise in accordance with our System Standards.

15.3 **Mandatory Requests for Information**. If you or anyone to whom you transmit the Confidential Information becomes legally compelled (by court order, interrogatories, discovery requests for information or documents, subpoenas, civil investigative demands or similar process) to disclose any Confidential Information, you must immediately notify us in writing so that we may seek a protective order or other remedy. You will reasonably cooperate with us in our efforts to seek such protective order or other remedy. In any event, you will furnish only that portion of the Confidential Information which is legally required and exercise your best efforts to obtain reliable assurance that confidential treatment will be accorded to the Confidential Information.

15.4 **Return**. Upon termination, expiration or non-renewal of this Agreement, or any other time at our request, you must promptly deliver to us, or destroy at our request, any and all documents or other materials (including documents or notes created by you and information embodied in intangible form, e.g., in computer memory) in your possession or control relating, directly or indirectly, to any Confidential Information and all copies of it without retaining any copies, duplicates, extracts or portions of it. Your Operating Principal shall certify, within five (5) days of our request, as to the return or destruction of all such information.

15.5 **In-Term – Competitive Activities**. You acknowledge our legitimate business interest in the Confidential Information and goodwill associated with our System. You covenant that during the Term of this Agreement, except as otherwise approved in writing by us, you and each of your Owners and each of their respective spouses shall not, directly or indirectly (whether as owner, partner, associate, agent, consultant, employee, independent contractor, member, stockholder, officer or otherwise of another or on your own account).

a. Divert or attempt to divert any business or customer to any competitor, by direct or indirect inducement or otherwise, to do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks, Intellectual Property and the System; or

b. Own, maintain, engage in, be employed by, lease real estate to, finance, or have any interest in any other competitive company of any kind or any company that franchisees such a concept (other than a Franchise under an effective Franchise Agreement with us).

15.6 **Post-Term Competitive Activities**. For a period of twenty-four (24) months following the expiration or termination of this Agreement for any reason, unless we otherwise permit in writing, you shall not, directly or indirectly (whether as owner, partner, associate, agent, consultant, employee, independent contractor, member, stockholder, officer or otherwise of another or on your own account):

a. Participate in the development of, or engage in, or market, sell, distribute, render, provide, perform or sell the Products or similar products or services, or contribute your knowledge to, or have any financial interest in, any work or activity that relates to or involves any of the Confidential Information or is in any way engaged in the operation, licensing, franchising or consulting, developing, marketing, organizing, providing, promoting, coordinating of chess instruction training and other services (a "Competing Business"): (i) within the Designated Territory, (ii) within twenty-five (25) miles that we have assigned to a Franchise or in which we directly operate, market or sell, (iii) within the Designated Territory or any protected area described in clause (ii) above in existence or under development as of the end of the Term, or (iv) via the Internet or other form of e-commerce, wherever located;

b. Induce or attempt to induce, or solicit any of our or other Knight School strategic partners, referral sources, brokers, employees personnel or other independent contractors to accept employment or an affiliation with you; or

c. Solicit, divert, contact, take away or interfere with any of our business, customers, schools, facilities, learning centers, referral sources, brokers, insurers, suppliers, trade or patronage with whom we (or our affiliates or franchisees) do business or whom you know we have contacted or solicited for business relationships, or those of any of our affiliates or franchisees, as of the date of termination or expiration of this Agreement.

15.7 **Non-Disparagement**. You agree not to take any action or make any statement the effect of which would be to directly or indirectly impair our goodwill or our rights to our Intellectual Property or the goodwill of our affiliates, or be materially detrimental to us, our affiliates, any company or affiliate owned Businesses or our franchisees or other Franchises, including, but not limited to, any action or statement intended, directly or indirectly, to benefit any of our competitors. This provision survives forever.

15.8 **Equitable Relief**. Due to our and our affiliates' interest in the Confidential Information and customer goodwill, you agree that damages cannot fully compensate us if you breach this Section 15 of this Agreement. Thus, if you breach Section 15 of this Agreement, we are entitled to an injunction restraining you from any further breach and other equitable relief. We may obtain the injunction without bond and without notice. Your only remedy if such an injunction is issued is its dissolution, if warranted, upon an appropriate hearing. You waive any claims for damages as a result of the obtaining of any such injunction.

15.9 **Extension of Time Period**. The time period during which you are to refrain from the activities described in this Section, will be extended by any length of time during which you are in breach of the relevant provisions of this Section 15.

15.10 **Modification of Provision**. If any court determines that any of the covenants set forth in this Section 15, or any part thereof, is unenforceable because of the duration or geographic scope of such provision, such court shall have the power to reduce the duration or scope of such provision, as the case may be, and, in its reduced form, such provision shall then be enforceable. Furthermore, if any of the restrictions set forth in Sections 15.5 or 15.6 are deemed entirely unenforceable or invalid under any local, state or federal law, rule, regulation, administrative decision or finding, then you will not be bound by such unenforceable or invalid provision(s), as the case may be, but you shall continue to be bound by all other provisions of these Sections which are valid and enforceable.

16. CONDITIONS OF TRANSFER OF INTEREST

16.1 **Transfer by You**. You understand and acknowledge that the rights and duties set forth in this Agreement are unique to you, and are granted in reliance upon your business skill, teaching ability and personal character. Therefore, neither you nor any immediate or remote successor to any part of your interest in this Agreement, nor any individual, partnership, corporation or other legal entity which directly or indirectly controls you, will sell, assign, transfer, convey, sublease, pledge, mortgage or otherwise encumber the following without our prior written consent:

a. The Knight School Franchise granted herein;

b. Any right or interest created by this Agreement; or

c. A majority interest in the Business.

16.2 **Requirements of Transfer**. The Knight School Franchise granted herein may not be divided or otherwise segregated and sold or transferred by you without our written approval. If we have elected not to exercise any right of first refusal with respect to such transfer, we will not unreasonably withhold our consent to a transfer of The Knight School Franchise or any ownership interests in your business provided that you have complied with the provisions of this Section 16 and that all of the following conditions are met prior to the time of the proposed transfer:

a. All of your accrued monetary obligations to us must have been satisfied;

b. Your right to receive compensation will be subordinated and secondary to obligations owed to us or other outstanding obligations due to us from the transferor, or you;

c. You, your Owners and their respective spouses must have executed a General Release of any and all claims against us, our Affiliates, and their respective officers, member, representatives, agents and employees, in their corporate and individual capacities;

d. The transferee must enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge all of your obligations under this Agreement or our then current form of franchise agreement except that the transferee will not be required

to pay an Initial Fee and the term shall be for the remainder of the current Term or Renewal Term, as applicable;

e. The transferee must demonstrate to our satisfaction that it meets our educational, managerial and business standards, possesses a good aptitude, moral character, business reputation and ability as may be evidenced by prior related business experience or otherwise; and has adequate financial resources to operate The Knight School Franchise. You must provide us with such information as we may require in our then-current franchise application form, in order to make such determination concerning each proposed transferee, including by way of illustration and not limitation, a five (5) year employment history (or their total employment history if less than 5 years), most recent financial statement and tax return and three (3) references. We may require the tentative transferee to complete and pass our then-current franchisee selection process. We may reasonably object to a proposed transferee if the proposed transfer would harm the System, the proposed transferee is operating any business which is a Competing Business, or place us at a competitive disadvantage with respect to our proprietary information and the System;

f. The transferee must execute (and/or, upon our request, cause all interested parties to execute) our then-current standard form franchise agreement and other ancillary agreements as we may require for a Term ending on the date of expiration of this Agreement; and

g. You (or transferee) must pay us a transfer fee of Two Thousand Five Hundred Dollars ($2,500.00) to cover administrative and other expenses, including training of transferee at our site, in connection with the transfer.

h. The transfer occurs exclusively through a majority interest transfer of the Business, such that the Business entity having rights created by this Agreement survives the transfer and remains the sole Franchise holder for the Designated Territory.

16.3 **Our Written Consent**. Any purported assignment, transfer, conveyance or encumbrance of The Knight School Franchise, the Business, any right or interest created herein, a majority ownership interests in you, or this Agreement, without our prior written consent, will be null and void, and will result in termination of this Agreement, as set forth below in Section 18 hereof.

16.4 **Non-Waiver by Us**. Our consent to a transfer of any interest granted herein will not constitute a waiver of any claims we may have against you, nor will it be deemed a waiver of our rights to demand exact compliance with any of the terms of this Agreement by the transferee.

16.5 **Intra-Corporate Non-Controlling Transfer**. Your owners may agree among themselves as to the purchase of a principal's interest in you. A transfer of a minority interest in you (whether voting stock, securities convertible thereto, partnership or proprietary interests) pursuant to such an agreement will not be subject to the terms and conditions applicable to an inter-vivos transfer set forth in this Section 16.

16.6 **Transfer by Us**. We have the right in our absolute discretion to transfer or assign this Agreement, including all or any part of its rights and obligations hereunder, to any Person.

16.7 **Your Assignment to an Entity**. If you meet the following conditions, you may assign this Agreement without payment of a transfer fee to an entity in which you hold at least a fifty-one percent (51%) controlling interest in the entity if you actively manage the entity and the Business; and

a. the entity is newly organized and it is a single purpose entity whose activities are confined exclusively to acting as a Business under this Agreement; and

b. the entity submits the entity papers we request, and executes our required documentation and returns it to us within thirty (30) days from the date we send it; and

c. each of your Owners sign a Guaranty agree to remain personally liable for all obligations in this Agreement;

d. you and each of your Owners and signatories to this Agreement sign a General Release; and

e. you are in full compliance with this Agreement and with all collateral agreements.

16.8 **Death or Disability**.

a. *Interim Management*. In the event of the death or disability of your Operating Principal or controlling Owner of any kind which impairs the management, operation or service of the Business, we have the right at any time to install appropriate personnel of our choosing, even those of another franchisee, to manage or operate your Business and you (or your estate) agree to pay us or our designee reasonable compensation for such services.

b. *Long-Term Disability*. If your Operating Principal or City Coach are unable to actively participate in the operation of the Business for a period of ninety (90) days, and such inability impairs the management, operation or service at the Business, you must, within such 90-day period either (1) engage and install appropriate management personnel who attend and pass our next available Initial Training program required at the time for new franchisees; or (2) assign this Agreement to a buyer subject to this Agreement; or else we have the right to terminate this Agreement at the conclusion of the 90-day period.

c. *Death*. Within one hundred eighty (180) days of the death of your Operating Principal or controlling Owner, your executor, administrator, or your other lawful successor in interest may transfer your interest in this Agreement by will, shareholder agreement or other appropriate instrument, subject to the transfer provisions of this Section 16. No transfer fee need be paid on this transfer. If no such transfer has been approved by us within the 180-day period, we have the right to terminate this Agreement at the conclusion of the 180-day period.

17. RIGHT OF FIRST REFUSAL

17.1 **Notice**. If any party holding any interest in you, in this Agreement, in the Business, or in substantially all of your assets (the transfer of which interest would have the effect of transferring this Agreement, a controlling interest in you, your business, or in substantially all of your assets), or if you desire to accept any bona fide offer from a third party to purchase such interest, you must notify us in writing of the terms of such offer, and must provide such information and documentation relating to the offer as we may require.

17.2 **Right to Match Offer**. We will have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to you that we intend to purchase your interest on the same terms and conditions offered by the third party. In the event that we elect to purchase your interest, no material change in any offer and no other offers by a third party for such interest must be considered with respect to our right of first refusal. In the event that we elect to purchase your interest, closing on such purchase must occur within ninety (90) days from the date of notice to you of the election to purchase by us.

17.3 **New Offer**. In the event that we have elected not to purchase your interest, any material change in the terms of any offer prior to closing by any third party must constitute a new offer subject to the same rights of first refusal by us to exercise the option afforded by this Section 17.

17.4 **Consideration and Appraisal**. In the event the consideration, terms, and/or conditions offered by a third party are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest in your business proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, an independent appraiser must be designated by mutual agreement of us and you, and his or her determination will be binding. If we and you cannot agree upon the selection of a single appraiser, then each party will designate one (1) such appraiser and the two (2) designated appraisers, in turn, will designate a third-party appraiser and the determination of the third-party appraiser will be binding.

18. DEFAULT AND TERMINATION

18.1 **By Franchisee**. You may not terminate this Agreement prior to the expiration of its Term except in the event we commit a material breach of this Agreement and we fail to take steps to cure such material breach within ninety (90) days from the date of receipt of such written notice from you specifically enumerating all alleged deficiencies by us. Notwithstanding, the foregoing, you may terminate this Agreement during the Initial Term of your Agreement in accordance with Section 18.5.

18.2 **By Franchisor – Non-Curable Defaults**. We may, at any time, terminate this Agreement effective immediately upon written notice if you or any of your Owners:

a. either (i) fail to observe or comply with the requirements of Section 16 in connection with any sale, assignment or Transfer, or (ii) make a material misrepresentation

in any Transfer request or document in support of a request for our consent to the Transfer of this Agreement;

b. do not commence operations in accordance with the timeline outlined in Section 6.2 of this Agreement;

c. abandon or fail to operate the Franchise for five (5) or more consecutive business days during which you are required to operate the Franchise under the terms of this Agreement or the Operations Manual, or any shorter period after which it is not unreasonable under the facts and circumstances for us to conclude that you do not intend to continue to operate the Franchise (unless such failure to operate is due to fire, flood, earthquake, or similar causes beyond your control);

d. violate or breach any provision of Section 10 or Section 15 of this Agreement;

e. become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; are adjudicated bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); if you are dissolved; if execution is levied against your Franchise or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchise shall be sold after levy thereupon by any sheriff, marshal, or constable; or

f. fail to successfully complete Initial Training and you fail to submit a replacement for such person or fail to attend Remedial Training, Required Conferences or other Continuing Training two (2) or more times during the Initial Term of this Agreement;

g. have any judgment or judgments aggregating in excess of ten thousand dollars ($10,000) levied against you or any lien in excess of ten thousand dollars ($10,000) against your property which remains unsatisfied or unbonded of record in excess of thirty (30) days;

h. knowingly sell products or offer services other than those designated by us or which fails to conform to System specifications for those Products or fail to sell all Products designated by us;

i. knowingly fail to report accurately the Gross Revenue of the Franchise; or you commit any act or omission constituting fraud, misrepresentation or similar act or omission, whether with respect to us, any related entities and/or any third party;

j. (i) default, on two (2) or more separate occasions within any period of twelve (12) consecutive months in any obligation(s) (whether the same or different), whether or not such defaults are timely corrected, to us, any of our affiliates, a Cooperative, a Distribution Cooperative or any of your suppliers, vendors, brokers, or other third parties; (ii) default, on three (3) or more separate occasions during the Term in any obligation(s) (whether the same or different), whether or not such defaults are timely corrected, to us, any of our affiliates, a Cooperative, a Distribution Cooperative or any of your suppliers, vendors, brokers, or other third parties; (iii) commit any default, or violate any material obligation to us, any of our affiliates, a Cooperative or a Distribution Cooperative, which is incurable whether under this Agreement, the Operations Manual, any other agreement with us, any of our affiliates, a Cooperative, a Distribution Cooperative or any of your suppliers, vendors, brokers, or other third parties, or otherwise; or (iv) commit any default, or violate any obligation to us, any of our Affiliates or any of your suppliers, vendors, brokers, or other third parties which remains uncured after any applicable cure period;

k. engage in any misconduct which unfavorably affects your reputation or that of any of your Owners or the goodwill associated with the Marks or the System (including, but not limited to, child abuse or other mistreatment, health or safety hazards, drug or alcohol problems, sexual harassment, discrimination or allowing unlawful activities or unauthorized or illegal items to be used or distributed in connection with the Franchise);

l. are convicted by a trial court of, plead no contest or enter into a consent decree in connection with any violation of the rules or regulations of franchise laws, federal or state securities laws, or any felony or any other crime or offense that is likely to adversely affect your reputation, our reputation or otherwise involving any fraud or breach of trust, or to any crime or offense that may adversely affect the reputation of the goodwill associated with the Marks or the System;

m. fail to attend any Continuing Training, Additional Training, Refresher Training, Convention, or other meetings more than once or fail to make-up any missed attendance by the deadlines and in accordance with the terms set forth in the Operations Manual; or

n. fail to pay any taxes when due which you are not contesting in good faith.

18.3 **By Franchisor - Curable Breaches**. The occurrence of any of the following events shall constitute a curable default under this Agreement. You may cure such default by taking appropriate remedial action within a prescribed time after we demand remedial action. Unless you cure such default before the end of the indicated remedial period, we may terminate this Agreement or take any other actions as this Agreement permits effective immediately if you or any of your Owners:

a. submit a financial report or other data, information or supporting records which understate by more than two percent (2%) the Franchise's Gross Revenue, or other fees due for any reporting period, and you are unable to demonstrate within five (5) business days that such understatements resulted from an inadvertent error;

b. fail to maintain and operate the Business in a good, clean, wholesome manner and in compliance with the System Standards, and fail to cure such breach within five (5) business days after written notice;

c. deny, our representative or our designees the right to inspect the Business at reasonable times and fail to cure such breach within three (3) business days after such denial;

d. sell products which fail to conform to System Standards and fail to cure such breach within twenty-four (24) hours after written notice;

e. fail to operate the Business in accordance with the Operations Manual, or fail to conform to our specifications and standards, or fail in any other way to maintain our standards of quality in the operation of the Business and fail to cure such breach within thirty (30) calendar days after written notice;

f. fail to remit any payments immediately when due to us or an affiliate of ours and fail to cure such breach within five (5) days after written notice;

g. fail to remit any payments immediately when due to a supplier, vendor, broker, a Cooperative, a Distribution Cooperative or any other third party owed by the Franchise and fail to cure such breach within ten (10) days after written notice;

h. fail to submit to us any financial, reports or other information required under this Agreement and fail to cure such breach within ten (10) business days after written notice;

i. fail to maintain the required insurance and fail to cure such breach within seven (7) business days after written notice;

j. interfere with our ability to access information on your Computer System or if you close or interfere with our ability to access the account used to electronically transfer Royalty Fees, Brand Fund Fees and other payments, and fail to cure such breach within five (5) business days after written notice;

k. operate the Business in a manner that presents a health, sanitation or safety hazard to your customers, employees, or the public or you receive a report from a customer or government agency regarding same, which is not cured within twenty-four (24) hours after written notice;

l. fail to obtain or to maintain any required permits or licenses or fail to comply with any federal, state, or local law or regulation applicable to the operation of the Business and fail to cure such breach within five (5) business days after written notice; or

m. to the extent not covered by Sections 18.2 or 18.3, breach any other obligation, covenant or representation under this Agreement (other than the non-curable defaults described in Section 18.2 above) and fail to remedy such breach within thirty (30) days after written notice from us specifying the breach alleged to have occurred and the

action to be taken by you curing the same, including but not limited to: (i) your failure to operate the Franchise in accordance with the Operations Manual and/or other manuals, (ii) your failure to conform to our System Standards, or failure in any other way to maintain our standards of quality in the operation of the Franchise, (iii) your taking for your own personal use any assets or property of the Franchise, (iv) you acting in any inappropriate manner towards any employee or other Personnel, (v) you failing to make payroll, or (vi) your violation of any provision of Section 11.3 of this Agreement.

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this Section, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

18.4 **Cure Period and Termination**.

a. Except as set forth in Sections 18.2 and 18.3 hereof, and except as otherwise provided by applicable law and in this paragraph, you will have thirty (30) days after your receipt in any manner set forth in Section 18 hereof from us of a written notice of default within which to remedy a default of any of the terms of this Agreement, as set forth in such written notice of default, and provide written evidence thereof to our satisfaction. In the event of a default due to a failing customer satisfaction score per Section 2.5 of this Agreement, you will have one (1) opportunity to cure the following school semester, such that a failing spring semester score, typically determined in May, will result in one (1) opportunity to cure the following fall, typically in December. A failing fall semester score, typically in December, will result in one (1) opportunity to cure the following spring, typically in May.

b. If any such default is not cured within said thirty (30) day period (or such longer period as applicable law may otherwise require or as otherwise described in this Section), we may, at our option, terminate this Agreement and all rights granted herein without affording you any further opportunity to cure the default, with such termination to be effective immediately upon the sending of the notice of termination to you in any manner set forth in Section 18 hereof, and, we may, at our option, suspend all of our support of you pursuant to this Agreement, or otherwise, including but not limited to, computer and software support, marketing and advertising support, advice, sending of materials, participation in advertising programs and activities and general operational support.

18.5 **Trial Period**. During the Initial Term of this Agreement, subject to the provisions in this Section, you may, in your sole discretion, decide to terminate this Agreement early if you provide us a written notification of Trial Period termination prior to the end of the Trial Period. If you exercise this right:

a. you must continue to operate the Business until the final day of any ongoing School Year, until the next May 31st, or until at least forty-five (45) days after your written notification of Trial Period termination, whichever is latest ("Trial Period Fulfillment Date"). Within thirty (30) days of receiving your notification of Trial Period Termination, we may, but are not obligated to, adjust the Trial Period Fulfillment Date to any earlier date

we decide. This Agreement will then terminate after the Trial Period Fulfillment Date. Failing to continue operating the Business according to all the provisions of this Agreement until the Trial Period Fulfillment Date will subject you to the penalty defined in Section 18 in addition to any other remedies we may have;

b. you must remain in good standing with all provisions of this Agreement and/or cure any default that occurs until the Trial Period Fulfillment Date;

c. you must, by seven (7) days after the Trial Period Fulfillment Date, return to us, in the same working condition you received them, the Tech Pack from the Opening Kit, if it has not been returned previously, and any additional Supply Bundles you have ordered from us since the date of execution of this Agreement for which costs have not yet become Payable Fees at the time of notification of Trial Period termination;

d. you must pay us, by fourteen (14) days after the Trial Period Fulfillment Date, all other Payable Fees as of the time of your notification of Trial Period termination. Any Payable Fees with due dates after that point will be accelerated to that point.

e. you must agree in writing to forfeit all your rights defined in Section 2 of this Agreement beyond the Trial Period Fulfillment Date, including but not limited to protections provided to the Designated Territory.

f. You and each of your Owners sign a General Release

We will, so long as you have fulfilled all your requirements defined in this Section, waive the remaining Initial Franchise Fee defined in Section 8.1. Payable Fees as of the time of your notification of Trial Period termination will not be waived per Section 18.

18.6 **Cross Defaults, Non-Exclusive Remedies, Etc**. Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any affiliate of ours) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates), Cooperative, or a Distribution Cooperative may be regarded as a default under this Agreement unless specifically agreed otherwise in writing. Any default by you (or any person/company affiliated with you) under any loan agreement, security agreement, lease, supply or service agreement or otherwise, whether with us, any of our affiliate and/or any third party which is not cured by the time period specified in such agreement may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

18.7 **Obligations Upon Termination/Expiration**. Upon any expiration or termination of this Agreement for any reason, you must, at your cost and expense:

a. immediately cease selling the Products and using any of the Confidential Information, the Intellectual Property and the Marks and immediately return to us (or destroy upon our request) all of your copies of any materials containing any of the Confidential Information or any materials bearing the Intellectual Property or the Marks, including without limitation, the Operations Manual;

b. upon our request, cooperate in assigning to us or to a person or entity designated by us any and all vendor agreements or sales or service contracts for the Products with customers (as applicable) of your Franchise, which will be automatic at our option as a result of the termination or expiration;

c. immediately cease all use of our Marks and Intellectual Property including any marketing or advertising materials, flyers, business cards, brochures and immediately cease holding yourself out to the public as associated with us in any way including de-identifying the Business by removing all trade dress, signs or other items bearing our Marks and other Intellectual Property;

d. immediately cease using all Social Media Platforms and return to us all Social Media Materials, e-names and passwords and do all things necessary to permanently remove your administrative access to any Social Media Platforms;

e. immediately terminate your access to the e-commerce activities we designate and assign to us all telephone numbers, e-name and directory listings associated in any way with the Knight School Franchise and our Marks, and direct the telephone company to transfer all such numbers and listings to us or our designee pursuant to the Internet Website, Telephone and Listings Agreement attached hereto as Exhibit D;

f. immediately pay us all unpaid fees and pay us, our affiliates, and our Approved Suppliers, all other monies owed; and

g. comply with the post-termination covenants set forth herein, all of which will survive the transfer, termination or expiration of this Agreement and cease any and all contact with customers, suppliers, vendors, employees or our agents without our prior written consent.

Alternatively, we may elect in our sole discretion, to undertake the obligations set forth in subsection (a)-(g) above and charge you for our costs and expenses. You hereby appoint us as your duly appointed agent and attorney-in-fact with the absolute right (but not the obligation) to perform the acts specified in this Section at your sole cost and expense including, without limitation, the right to execute any assignments or contracts or file any documents with any third parties necessary to effectuate these obligations. The appointment of us as your agent and attorney-in-fact for the purposes set forth herein is declared and acknowledged to be coupled with an interest and is irrevocable. The grant of power of attorney herein shall include full powers of substitution. The telephone company, postal service, registrar, Internet Service Provider, listing agency, website

operator, or any other third party may accept such direction by us pursuant to this Agreement as conclusive evidence of our rights to the Identifiers and our authority to direct their transfer.

19. OBLIGATIONS UPON TERMINATION

19.1 **Your Obligations**. Upon the termination of this Agreement by either you or us, by operation of law, or upon expiration of this Agreement because of lapse of time, this Agreement and all rights granted to you herein will automatically terminate; provided, however, that your obligations as set forth in this Section 19 and in Sections 10 and 15 hereof will survive the termination of The Knight School Franchise. Upon termination, your obligations are as follows:

a. You must immediately cease to operate the Business and are prohibited thereafter from either directly or indirectly representing yourself to the public, or to any Person, that you are a present or former franchisee.

b. You must immediately and permanently cease to use, by advertising or any other manner, the trademarks, trade names, service marks, and other forms of advertising and indicia, including all materials and articles displaying the Intellectual Property, or any portion of the Intellectual Property.

c. You must immediately return to us the Operations Manual furnished to you by us, including all copies thereof.

d. You must immediately discontinue all use of, and remove from the Business, all of the Intellectual Property, as well as all signs, decals and forms of promotion displaying the Intellectual Property.

e. You must not use any reproduction, counterfeit, copy of other imitation of the Intellectual Property that are likely to cause confusion, mistake, or deception, or to dilute our exclusive rights in and to the Intellectual Property, nor utilize any designation of origin or description or representation falsely suggesting or representing an association or connection with us which constitutes unfair competition, in any business which you may thereafter engage. You will take such action as may be required to cancel all assumed names or equivalent fictitious name filings, relating to use of the Intellectual Property and any other related marks in connection with The Knight School Franchise.

f. You must promptly pay all sums owing to us. We will have the right to set off any or all amounts due to you under this Agreement. You must also pay all damages, costs and expenses, incurred by us, as a result of a default by you which resulted in termination of this Agreement, including all fees and costs and reasonable attorney's fees in obtaining injunctive or other relief for the enforcement of your obligations in this Section 19 and in Section 15 hereof.

g. You must continue to comply with the continuing obligations set forth in this Agreement, including the post-termination obligations set forth in Section 15 and this Section 19.

h. You do hereby irrevocably authorize and empower us or our member to execute, as your attorney-in-fact, coupled with an interest, all documents or orders as may be necessary for completion of the post-termination obligations set forth in this Agreement.

i. The covenants contained in this Section 19 will be construed as independent of any other provision of this Agreement and the existence of any claim or cause of action of you against us, whether predicated upon this Agreement or otherwise, will not constitute a defense to the enforcement by us of the covenants set forth in this Section 19 or in Section 15 hereof.

ii. Upon termination at our option, all student and school arrangements shall be assigned to us.

iii. You acknowledge and agree that if we terminate this Agreement pursuant to Section 14 or if you terminate this Agreement in violation of this Agreement or otherwise abandon your Franchise, we will incur damages, the actual amount of which would be speculative and difficult to calculate. Therefore, if this Agreement is terminated because you ceased to operate the Business or otherwise abandon the Business or we terminated you for cause pursuant to Section 14 during a school term, you must pay us the sum of $25,000 as liquidated damage within fifteen (15) days after the effective date of such termination or abandonment, in addition to all other amounts then owed to us under the Agreement. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages and not a penalty or punitive in nature. The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees and Brand Fund Fees. It does not cover any other damages, including damages to our reputation with the public and damages arising from a violation of any provision of this Agreement other than the Royalty Fee and Brand Fund Fee Section. You and each of your Owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fees and Brand Fund Fee Section.

20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

20.1 **Independent Contractor**. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between or among us, that you will be an independent contractor, and that nothing in this Agreement is intended to constitute or construe you as an agent, legal representative, subsidiary, joint venturer, partner, affiliate, employee or servant of us or our Affiliate for any purpose whatsoever. It is understood and agreed that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, including but not limited to employment agreements, or to incur any debt or other obligation in our name, and that we will in no event assume liability for, or be deemed liable hereunder, as a result of any such action, or by reason of any act or omission of you, your employees or agents, in your conduct pursuant to this Agreement or the Business.

20.2 **Indemnification**.

a. *By You*. You agree to indemnify, defend and hold harmless us, our affiliates and us and our affiliates' respective members, managers, directors, officers, owners, employees, agents, contractors, advisors, successors and assignees (the "Indemnified Parties") against and to reimburse any one (1) or more of the Indemnified Parties for all losses, expenses, judgments, settlements, claims, liabilities, attorneys' fees, costs (including, without limitation, expert witness fees, court costs, accountants' fees, travel and living expenses) and damages arising out of any claim directly or indirectly (i) related to the operation of your Franchise; (ii) related to on-site training, assistance or support provided to you by our employees or personnel; (iii) arising out of a breach of this Agreement or any other agreement with us or any of our affiliates; or (iv) any and all taxes described in this Agreement provided, however, that you shall not be required to hold harmless or indemnify us for any losses relating to any claim to the extent such losses arise out of our gross negligence or willful misconduct. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

b. *By Us*. We agree to hold harmless and indemnify you against any claim for copyright, service mark or trademark infringement, including reasonable attorneys' fees and court costs in connection with such claims, arising out of your authorized use of our materials, the Intellectual Property, or the Marks, provided, that such use was in accordance with the terms of this Agreement and the Operations Manual as determined by us in our sole discretion and you notify us in writing within ten (10) days, or within such shorter period as is necessary to avoid prejudice, after learning of any claim, and also provided we have the right to control any litigation or proceeding resulting from any such claim. If we exercise our right to control the litigation or proceeding, we will cease to reimburse you for any legal fees after the date of assumption of control.

21. NOTICES

21.1 All notices, requests, consents and other communications required hereunder shall be in writing and shall be duly given if hand delivered and a signed receipt obtained, sent by registered or certified mail, postage prepaid, return receipt requested, sent by overnight express type service, or sent by telecommunication with confirmed delivery, including electronic mail, addressed:

Notices to us:

The Knight School America, LLC
2612 Vestavia Forest Terrace
Birmingham, Alabama 35216
Attn: David Brooks, Ph.D.

Email: dbrooksphd@theknightschool.com

with a copy to:

Fox Rothschild, LLP
Attn: Eleanor Vaida Gerhards, Esq.
980 Jolly Road, Suite 110
Blue Bell, PA 19422-3001
Tel. 215.918.3642
Email: egerhards@foxrothschild.com
Facsimile: (610) 397.0450

If to you, to the address and email indicated on Schedule I to this Agreement. In the alternative, notice shall be sent to such other address as you or we shall have specified in a written notice given to the other party. Each such notice shall be deemed delivered (a) on the date delivered, if by personal delivery; (b) one (1) day after notice is sent, if by overnight express type service; (c) on the date of transmission by telecommunication with confirmed delivery, if by electronic mail or other electronic method; and (d) on the first occurring of: (i) three (3) business days after mailing, postage prepaid, or (ii) the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed. Any notice provided by electronic mail or other electronic method shall be confirmed by one (1) of the delivery methods listed under subsection (a), (b), or (d) although this shall not affect the time notice is deemed given hereunder. Your knowing or intentional refusal to accept proper notice constitutes an immediate default under this Agreement.

22. CONTRACT INTERPRETATION AND ENFORCEMENT

22.1 **Mediation**. Except for actions for injunctive relief to enjoin harm or threat of harm to such party's intangible properties, including intellectual property, and actions related solely to the collection of moneys owed to us or our Affiliate, before you or we may commence any arbitration or bring any action in court, the parties must first undergo mediation as defined in this paragraph. The required mediation will be non-binding, located in the then-present county of our headquarters, and in accordance with the then-current American Arbitration Association rules ("The Mediation Rules") for mediation of commercial disputes. If you and we are unable to agree on a mediator in writing within twenty-one (21) days, a mediator will be appointed according to The Mediation Rules. Mediation must begin within thirty (30) days of the mediator being appointed, and each party will bear their own costs plus half of the costs of the mediation.

22.2 **Governing Law**. We accept this Agreement in the State of Alabama. In any action, suit, or claim by or against you or us (including our present or former agents and employees, our Affiliate, and our Affiliate' present or former agents and employees), which in any way arises out of or relates to your business relationship with us, including, but not limited to, any and every aspect of the process of entering into the business relationship, this Agreement, any guaranty or other collateral agreements with us or our Affiliate, our performance in connection with the business relationship, any termination, rescission, cancellation, or nonrenewal of the business relationship, and conduct post-termination or post-expiration of this Agreement, only Alabama

law, including Alabama statutes of limitation, will apply to all claims asserted, whether sounding in tort, contract or otherwise.

22.3 **Jurisdiction**. You consent to venue and personal jurisdiction in all litigation brought by us or our Affiliate against you, which in any way arises out of or relates to your business relationship with us, including, but not limited to, any and every aspect of entering into the business relationship, this Agreement, any guaranty or other collateral agreement with us or our Affiliate, our performance in connection with the business relationship, any termination, rescission, cancellation or nonrenewal of the business relationship, and conduct post-termination or post-expiration of this Agreement, in the following courts: (a) the state or county court of any city or county where we have our principal place of business, and, (b) the United States District Court nearest to our principal place of business.

22.4 **Venue**. You agree that in all litigation brought against us, our present or former agents and employees, or our Affiliate, for any reason that arises out of or relates to your business relationship with us, including, but not limited to, any and every aspect of the process of entering into the business relationship, this Agreement, any guaranty or other collateral agreements with us or our Affiliate, our performance in connection with the business relationship, any termination, rescission, cancellation or nonrenewal of the business relationship, and conduct post-termination or post-expiration of this Agreement, such action will be brought and venue will be proper only in the following courts and no others: (a) for cases where federal jurisdiction would not exist if the case were brought in federal court, the state or county court of any city or county where we have our principal place of business; and, (b) for all other cases, the United States District Court nearest to our principal place of business.

22.5 **Waiver of Jury Trial**. IN ANY ACTION OR SUIT BROUGHT BY OR AGAINST YOU OR US (INCLUDING OUR PRESENT OR FORMER AGENTS, BUSINESS DEVELOPERS, DIRECTORS, EMPLOYEES, AND OUR AFFILIATE,), THAT IN ANY WAY ARISES OUT OF OR RELATES TO YOUR BUSINESS RELATIONSHIP WITH US, INCLUDING BUT NOT LIMITED TO, ANY AND EVERY ASPECT OF THE PROCESS OF ENTERING INTO SUCH RELATIONSHIP, THIS AGREEMENT, ANY GUARANTY OR OTHER COLLATERAL AGREEMENTS WITH US OR OUR AFFILIATE, OUR PERFORMANCE IN CONNECTION WITH THE BUSINESS RELATIONSHIP, ANY TERMINATION, RESCISSION, CANCELLATION OR NONRENEWAL OF THE BUSINESS RELATIONSHIP, AND CONDUCT POST-TERMINATION OR POST-EXPIRATION OF THIS AGREEMENT, YOU AND WE AGREE THAT IN THE EVENT THAT SUCH ACTION IS RESOLVED THROUGH A COURT PROCEEDING, SUCH ACTION WILL BE TRIED TO A COURT WITHOUT A JURY.

22.6 **Waiver of Punitive Damages**. YOU AND WE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT OR CLAIM FOR PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER PARTY (INCLUDING ANY CLAIMS AGAINST OUR PRESENT OR FORMER AGENTS, BUSINESS DEVELOPERS, CONTRACTORS, DIRECTORS, AND EMPLOYEES, OUR AFFILIATE, AND OUR AFFILIATE'S PRESENT OR FORMER AGENTS AND EMPLOYEES), AS TO ANY ACTION, SUIT OR CLAIM (WHETHER IN COURT OR BEFORE ANY OTHER TRIBUNAL) THAT ARISES OUT OF OR RELATES TO OUR BUSINESS RELATIONSHIP, INCLUDING,

BUT NOT LIMITED TO, ANY AND EVERY ASPECT OF THE PROCESS OF ENTERING INTO THE BUSINESS RELATIONSHIP, THIS AGREEMENT, ANY GUARANTY OR OTHER COLLATERAL AGREEMENTS WITH US OR OUR AFFILIATE, OUR PERFORMANCE IN CONNECTION WITH THE BUSINESS RELATIONSHIP, ANY TERMINATION, RESCISSION, CANCELLATION OR NONRENEWAL OF THIS BUSINESS RELATIONSHIP, AND CONDUCT POST-TERMINATION OR POST-EXPIRATION OF THIS AGREEMENT. NOTWITHSTANDING THE ABOVE, OUR AFFILIATE AND WE ARE ENTITLED TO PUNITIVE AND EXEMPLARY DAMAGES, AND ANY OTHER RIGHTS AND REMEDIES PROVIDED BY LAW, IF YOU INFRINGE UPON ANY OF THE INTELLECTUAL PROPERTY.

22.7 **No Class Actions**. You agree that for our System to function properly, we cannot be burdened with the costs of litigating network-wide disputes. You agree that any dispute between you and us is unique as to its facts, and you will not institute, join or participate in any class action against us or our Affiliate.

22.8 **Construction and Severability**.

a. All references in this Agreement to the singular will apply to the plural.

b. If any part of this Agreement is declared invalid, this decision will not affect the validity of any other part, which will remain in full force and effect.

22.9 **Scope and Modification of this Agreement**.

a. Notwithstanding the remainder of this Section, this Agreement constitutes the entire understanding and agreement between the parties and supersedes all earlier and contemporaneous representations, understandings, oral and written agreements, all of the subject matters in this Agreement, and The Knight School Franchise, including, but not limited to, any and all oral or written representations concerning cost or profitability. No modification or change to this Agreement will have any effect unless it is in writing and signed by you and our authorized representative.

b. If this Agreement is for a Renewal Term with a change in the Designated Territory and is being executed more than ninety (90) days prior to the termination date for a prior Franchise Agreement Term, then your obligations for remaining Initial Term Flat Fees and Supply Bundle Fees, from the previously executed version of this Agreement, if any, will survive and will be considered part of this Agreement as well.

22.10 **Exhibits**. The Exhibits attached hereto are a part of this Agreement as if fully set forth herein.

22.11 **Third Party Beneficiaries**. Our affiliates, any Cooperative, any Distribution Cooperative, the Brand Fund and each of our and their respective officers, directors, members, agents, representatives and/or employees are express third party beneficiaries of the provisions of this Agreement, including the mediation and arbitration provisions set forth in this Agreement, each having authority to specifically enforce the right to mediate/arbitrate/litigate claims asserted

against such person(s) by you or asserted in relation to this Agreement. There are no other intended third-party beneficiaries to this Agreement.

22.12 **Waiver**. No waiver by us of any breach or series of breaches of this Agreement will constitute a waiver of any additional breach or waiver of the performance of any of your obligations under this Agreement, and no custom or practice of the parties that varies from this Agreement will prevent us from demanding strict compliance with any Term of this Agreement. Our acceptance of any payment from you or our failure, refusal or neglect to exercise any right under this Agreement to insist upon full compliance with your obligations under this Agreement, or with any specification, standard or operating procedure or rule, will not constitute a waiver of any provision of this Agreement.

22.13 **Survival of Obligations**.

a. Notwithstanding any contrary provision, on the May 31st on or after five (5) years from the date of execution of the Initial Term of this Agreement, all personal guarantees related to, or connected with, this Agreement, or any preceding version of this Agreement, between the parties hereto shall hereby be terminated, and Franchisor, for itself and its representatives and affiliates, and their respective successors and assigns, hereby releases and waives such personal guarantees in full as of such May 31st.

b. Subject to the preceding paragraph, the obligations in this Agreement that by their terms require or may require performance after the expiration or termination of this Agreement, including contract interpretation and governing law, any personal guaranty, post-termination covenants, and indemnities, remain enforceable after the expiration or termination, for any reason, of this Agreement.

22.14 **Damages for Service Mark Infringement and Other Violations**.

a. If you violate our federal or common law trademark or service mark rights, our right to injunctive relief will not preclude our recovery of money damages from you as provided by federal, state or common law.

b. We or our designee may obtain without bond, temporary and permanent injunctions and orders of specific performance to enforce our exclusive rights in our Intellectual Property, to enforce your post-termination or expiration obligations, to prevent an unauthorized assignment or transfer of your The Knight School Franchise, to prevent the unauthorized use or disclosure of our trade secrets, proprietary, confidential information, or Operations Manual, and to prohibit any act or omission by you or your employees that constitutes a violation of any law or regulation, is dishonest or misleading to any current or prospective students of the Business, constitutes a danger to any other franchisees, employees, customers, students, or to the public, or that may impair the goodwill of our Intellectual Property.

22.15 **Counterparts**. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g.,

www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

22.16 **Effective Date**. This Agreement is effective on the date we indicate on the Signature Page, only after acceptance and execution by our authorized representative at our principal place of business.

22.17 **Force Majeure**. We will not be responsible or liable for delay or failure in the performance of this Agreement, if such delay or failure is due to any cause beyond our control, such as, but not limited to, strikes, scarcity of labor, fires, floods, storms, earthquakes, explosions, accidents, breakage of computers, scarcity of materials, fuel or transportation, and delays or defaults caused by public carriers that cannot reasonably be forecast or provided against, embargoes, governmental regulations or orders, perils of navigation, acts of public enemies, mobs or rioters and acts of God.

22.18 **Remedies**. Remedies specified in this Agreement are cumulative and do not exclude any remedies available at law or in equity. The non-prevailing party will pay all costs and expenses, including reasonable attorneys' fees and court costs, incurred by the prevailing party to enforce this Agreement or any collateral agreement including collection of amounts owed under this Agreement or a collateral agreement.

22.19 **Required Notice By Law**. If an applicable and valid law of a competent Governmental Authority that has jurisdiction over this Agreement contradicts anything in this Agreement, then this Agreement shall be deemed amended to conform to the minimum stated requirements therein that are most similar to the original requirements in this Agreement, including restrictions governing termination, transfer, notice periods, and venue. We do not, however, preclude ourselves from contesting validity, enforceability or application in any related action, hearing, or dispute.

22.20 **Timing**. Time is of the essence of this Agreement. However, whenever the time for the performance of any action or condition contained in this Agreement falls on a Saturday, Sunday or legal holiday, such time will be extended to the next business date. Indications of time of day mean time in Alabama.

22.21 **Compliance with Anti-Terrorism Laws**. You and your Owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your Owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your Owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your Owners, or any blocking of your or your Owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

23. ACKNOWLEDGEMENTS

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

The below acknowledgment and statements that are contrary to the North American Securities Administrators Association, Inc.'s Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments shall not apply to prospective franchisees who are residents of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin or who seek to purchase a franchise located in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

We have made no promise or representation to you as to the renewal of this Agreement or the grant of a new franchise after the end of the Initial Term set forth in Section 3 hereof.	INITIAL HERE: _____
This Agreement and our Franchise Disclosure Document, or "FDD", have been in your possession for at least fourteen (14) days before you signed this Agreement and before your payment of any monies to us, refundable or otherwise, and that any unilateral, material changes to this Agreement were memorialized in writing in this Agreement for at least seven (7) days before you signed this Agreement, or as otherwise required by state law.	INITIAL HERE: _____
(a) You have read and understand this Agreement and our Franchise Disclosure Document; (b) We have advised you to consult with your own attorneys, accountants, or other advisers about the potential benefits and risks of entering into this Agreement; (c) You have had ample opportunity to consult with advisors of your own choosing; and (d) Our attorneys have not advised or represented you with respect to this Agreement or the relationship created hereby.	INITIAL HERE: _____
You have conducted an independent investigation of the business contemplated by this Agreement, and you acknowledge that, like any other business, an investment in the Franchise involves unavoidable business risks. You acknowledge that the success of the Franchise is primarily dependent upon the business abilities and efforts of you and your Implementer and Personnel.	INITIAL HERE: _____
You have not received any representation, warranty or guarantee, express or implied, from us or any of our officers, directors,	INITIAL HERE:

shareholders, employees, or agents, as to the potential revenues, income, profits, volume, or success of the business venture contemplated by this Agreement. You acknowledge that you have read this Agreement and our Franchise Disclosure Document, and that you have no knowledge of any representation by us or any of our officers, directors, shareholders, employees, or agents that are contrary to the statements made in our Franchise Disclosure Document or contrary to the terms hereof. We expressly disclaim the making of any warranty, guarantee, or representations of this type.

_____

This Agreement, the documents referred to herein, the attachments hereto, and other agreements signed concurrently with this Agreement, if any, constitute the entire, full and complete agreement and understanding between us and you and supersede any and all prior agreements, no other representations, promises, warranties or agreements have induced you to execute this Agreement. You further acknowledge and agree that there are no oral or written representations, promises, assurances, warranties, covenants, "side-deals", rights of first refusal, options or understandings other than those expressly contained in this Agreement. This Agreement terminates and supersedes any prior agreement between the parties concerning the same subject matter, and any oral or written representations, including those that are inconsistent with the terms of this Agreement or our Franchise Disclosure Document.

INITIAL HERE:

_____

You acknowledge that we maintain a staff to manage and operate the System and that staff members can change as employees come and go. You acknowledge that you did not sign this Agreement in reliance on the continued participation by or employment of any of our shareholders, directors, officers, or employees. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

INITIAL HERE:

_____

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement in duplicate on the day and year first above written.

"YOU"	"WE"
_____	The Knight School Franchising, LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

_____
Owner - Operating Principal

_____
Owner

_____
Owner

APPENDIX A: DEFINITIONS

The following items shall have the meanings set forth below when capitalized in this Agreement:

"Affiliate" means The Knight School, LLC, an Alabama limited liability company, The Knight School America, LLC, an Alabama limited liability company and, as to any other entity, an entity that directly or indirectly, through one or more intermediaries controls, is controlled by or is under common control with us.

"Approved Suppliers" means those suppliers we designate or approve (i) to sell you Products and (ii) to provide technical and other services to you. We and our Affiliate may be Approved Suppliers or in some instances the only approved supplier.

"Commencement of Operations" shall mean the date of the first scheduled chess class or private lesson conducted by the Business during the Initial Term of this Agreement. The date defined by "Commencement of Operations" is permanent and therefore does not change for any renewal terms, including renewal terms with a change in Designated Territory, in part or in whole.

"Competing Business" means any business which offers or sells to the public chess instruction and related services or other after-school program services to children.

"Cultivated Territory" means any Zip Code in which the Business presently has at least one Robust Class Location.

"Designated Territory" means the list of Zip Codes provided in Schedule 1 of this Agreement. If zip code or state boundary lines change during the term of this Agreement, we will re-assign the boundaries of the Designated Territory so that it most closely resembles the original configuration in our sole opinion.

"Fees" shall have the meaning described in Section 8.

"Founder's Payout" means a payout that may occur at the end of the Initial Term of this Agreement, the amount and qualifications of which are described in Section 4.10. The Founder's Payout is not applicable to any Renewal Term of this Agreement.

"Handling Fee" means a fee for ordering, organizing, delegating, or otherwise administering the purchase or distribution of equipment or supplies.

"Initial Term" shall have the meaning described in Section 3.1 unless one or more previous versions of this Agreement have been signed and executed. If one or more previous versions of this Agreement (or of a prior license agreement with an Affiliate) have been executed, Initial Term shall instead mean the duration between the date of Execution of the first version of this Agreement that was mutually signed and the earlier of (1) the termination date of that version of the Agreement and (2) the beginning date of any Renewal Term as clarified in Section 3.2, if applicable. Statements in this Agreement that are noted as specifically pertinent to the Initial Term of this Agreement are not pertinent to any Renewal Term of this Agreement unless otherwise stated in the corresponding section.

"Initial Training" means the training we provide you prior to Commencement of Operations. Specific iterations of Initial Training may be in-person, virtual, live, recorded, guided, self-driven, or some combination thereof. Satisfactory completion of training may include achieving a passing score on a written exam. Specific requirements for a passing score are defined in our sole discretion and communicated after the execution of this Agreement.

"Operating System of Choice" means the computer operating system we have chosen as the standard for the Business. At the time of writing, Windows is the Operating System Of Choice, but we reserve the right to change this in the future at any time for any reason.

"Operations Manual" means the operational and business manual and related materials in various media created for or approved for use in the operation of the Business. The Operations Manual contains both mandatory requirements which you must comply as a condition of this Agreement and general recommendations with which you may decide whether or not to follow in your own Business and Designated Territory. We may revise the Operations Manual from time-to-time and will provide at least ninety (90) days advanced written notice to all active franchisees before any changes to the Operations Manual take effect.

"Payable Fee(s)" means any Fee that you owe and may choose to pay at any present or future time prior to or on the Payable Fee Due Date. You must not pay us any fee or anticipated fee prior to the fee becoming a Payable Fee.

"Payable Fee Due Date" means the final date by which you must pay a corresponding Payable Fee.

"Person" means a natural person, corporation, partnership, limited liability company, sole proprietorship, joint venture, association, trust, estate, unincorporated organization, cooperative or other entity.

"Products" means the Proprietary Supplies, including the Supply Bundle and Tech Pack and other supplies, materials and equipment that we designate or approve for use by your Business. All Products must be purchased from Approved Suppliers.

"**Rapidly Growing Territory**" is an identifier given to your Designated Territory if your Business earned an additional ten thousand dollars ($10,000) in gross revenue during the most recent school semester (either January through May or August through December) compared to the same five-month school semester during the previous school year, thirteen (13) through seventeen (17) months prior.

"Renewal Term" means the duration of this Agreement following the Initial Term of this Agreement or following the most recent term of this Agreement as clarified in Section 3.2.

"Robust Class Location" means an in-person weekly program your Business operates at a physical host location in your Designated Territory using the System that currently has or had at least seven (7) paying students within the most recent two (2) calendar months.

"School Coach" means the person who provides chess instruction to school children using the System.

"School Year" means the duration of student attendance defined by a typical single school or school district's academic calendar, typically from August through May of the following calendar year.

"Standard Bundle Price" means the price we may charge you if and when you order a Supply Bundle from us. The Standard Bundle Price is a price we select and communicate in the Operations Manual that is subject to change from time to time as our own costs change but not without at least ninety (90) days-notice in advance of any increase. The price is chosen in good faith to be typically less than or equal to the price we pay our suppliers, including shipping and other related costs, for the same or equivalent supplies or equipment. The Standard Bundle Price may be calculated as a standard price per item, a standard price per order, or a summation of both.

"Start-Up Period" means the time beginning the date of execution of the Initial Term of this Agreement and ending six (6) months after Commencement of Operations.

"Supply Bundle" means any installment of initial or ongoing supplies and equipment you may choose to order from us using the list of options, guidance, and specifications provided in the Operations Manual. The Operations Manual requires or recommends that certain specific supplies be given to newly enrolled students or continuing students at specific moments. You may choose to order Supply Bundles for this purpose or for the purpose of reselling any such supplies for a profit to the general public other than your enrolled students and their immediate families within your Designated Territory.

"System" and **"Trade Secrets"** mean the methods for securing Schools and attracting students, an Operations Manual, training, proprietary software and video curriculum, distinctive operating procedures, reporting, promotion and marketing methods, scheduling, billing and collections, and opening assistance, learning camps and tournaments, coach training and teaching techniques, classroom management, proprietary marks and proprietary information, trade secrets, methods for recruiting and retaining qualified school coaches, advice concerning arrangements with schools or host facilities, customer information, and interactive professional website and smart phone applications and support services, all of which may be changed, improved and further developed by us from time to time. "System" and "Trade Secrets" also includes all information made available to you, if any, through password-protected or otherwise restricted portions of our website, intranet, extranet, or some other shared file storage location.

"System Standards" means the mandatory and suggested specifications, standards, operating procedures and rules that we prescribe from time to time for the operation of Businesses and information relating to your other obligations under this Agreement and related agreements.

"Tech Pack" means the combination of reusable equipment needed to run a standard class according to the System Standards given in the Operations Manual or as provided by us directly.

"Training Seminars" means staff training seminars developed by us designed to educate you and your School Coaches to enhance your Business's performance.

"Trial Period" means the time beginning the date of execution of the Initial Term of this Agreement and ending on April 7th either of the following calendar year or the calendar year thereafter, depending on the date of execution of this Agreement. If the date of execution of this Agreement is in January, February, March, or April, the Trial Period ends in the following calendar year, and the total duration of the Trial Period is between eleven (11) and sixteen (16) months, depending on the specific month of execution. Otherwise, the Trial Period will end the calendar year thereafter, and the total duration of the Trial Period is between fifteen (15) and twenty-four (24) months, depending on the specific month of execution.

"Virtual Services" means any service offered or provided as a part of the System that does not imply or necessitate any occurrence of the service provider and the participant being simultaneously present at the same physical location and includes live or recorded instruction, hybrid offerings, or other remote or technology-enabled services regardless of instructor location.

Schedule I
Franchisee Information and Designated Territory

Effective Date of Franchise Agreement: _____

Name of Franchisee: _____

Name of Operating Principal: _____

_____

Name of City Coach: _____

Names of All Franchise Owners and Percentage Ownership: _____

_____

_____

Address for Notice under Section 21: _____

_____

_____

Email Address for Notice under Section 21: _____

Designated Territory

Zip Codes

Schedule II
List of Minimum Insurance

As of the Effective Date of the Franchise Agreement, our minimum insurance requirements are as follows:

Insurance Agreement	Minimum Limits
Comprehensive general liability insurance with completed operations liability, against claims for bodily and personal injury, death, and property damage caused by or occurring in conjunction with the operation of the Franchise or your conduct of business pursuant to this Agreement.	$2 million dollars with minimum limits of $1 million dollars per person/per occurrence for bodily injury.
By the time of hiring first employee, business automobile liability insurance on all leased vehicles, including non-owned and hired auto liability	a combination of primary and excess limits of not less than $1 million; $2 million aggregate
By the time of hiring first employee, workers' compensation	Statutory Minimums required by statute or rule in the state in which your Franchise is located or operates
Sexual abuse, corporal punishment and molestation coverage, by August 1st of the subsequent year of such time that your Franchise receives gross revenue of at least $300,000 in the calendar year.	$100,000 incident; $300,000 aggregate at such time that revenues for any calendar year exceed $300,000
Such other insurance policies as we may determine from time to time and as required by landlord and lenders.	

We may designate limits of any deductibles or self-insured retentions under any policies. We may change these insurance requirements, upon written notice to you, to conform to reasonable business practices. We do not represent or warrant that any insurance that you are required to purchase, or which we procure on your behalf, will provide adequate coverage for you. If you believe that you should not be required to carry an identified type of insurance or otherwise comply with our minimum insurance requirements, you must submit a written waiver request and obtain a waiver from us. Until such time as we notify you in writing of our approval, you are obligated to comply with all minimum insurance requirements.

Exhibit A

General Release

This General Release Agreement (the "Release") is made by the undersigned _____ (the "Releasor") for the benefit of The Knight School Franchising, LLC, an Alabama limited liability company, and all of its affiliates ("Franchisor"), on _____.

RECITALS

WHEREAS, Releasor is an The Knight School Franchisee, Owner or spouse of an Owner of an The Knight School Franchise operating an The Knight School Franchise (the "Franchise") under that certain Franchise Agreement dated _____ (the "Franchise Agreement");

WHEREAS, Releasor desires to transfer or renew the Franchise or an ownership in the Franchise in accordance with the Franchise Agreement; and

WHEREAS, all capitalized terms not defined in this Release shall have the meaning given to them in the Franchise Agreement.

NOW, THEREFORE, in consideration of the consent by Franchisor to the transfer (the "Transfer") or renewal ("Renewal") of the Franchise and for other good and valuable consideration, the receipt and sufficiency of which is hereby expressly acknowledged, Releasor hereby covenants and promises as follows:

(1) Releasor hereby absolutely and forever releases and discharges Franchisor from any and all claims, demands, damages, debts, liabilities, accounts, costs, expenses, liens, losses, charges, actions, suits, proceedings and causes of action of every kind and nature whatsoever ("Released Matters"), whether now known or unknown, suspected or unsuspected, which Releasor now has, owns or holds, or at any time heretofore ever had, owned or held, or could, shall or may hereafter have, own or hold, pertaining to, arising out of or in connection with the Franchise Agreement, any related agreements or the franchisor-franchisee relationship in connection therewith or the operation of the Franchise.

(2) Releasor hereby understands and agrees that this Release shall extend to and be binding upon any and all of Releasor's attorneys, officers, members, managers, directors, owners, employees, agents, representatives, spouses, heirs, estate executors, administrators, successors, affiliates, associates and assigns, and their respective insurers and underwriters. If more than one party shall execute this Release, the term "Releasor" shall mean all parties executing this Release, and all parties shall be bound by its terms.

(3) Releasor hereby understands and agrees that this Release shall extend to and inure to the benefit of any and all of Franchisor's members, managers, attorneys, officers, directors, owners, employees, agents, representatives, legal representatives, successors, affiliates, subsidiaries, associates and assigns, and its and their respective insurers and underwriters.

(4) Releasor hereby understands and agrees that this Release supersedes any prior agreement, oral or written, with respect to its subject matter. Releasor understands and agrees that no representations, warranties, agreements or covenants have been made with respect to this Release, other than those set forth herein, and that in executing this Release, Releasor is not relying upon any representations, warranty, agreement or covenant not set forth in this Release.

(5) This Release and all acts and transactions under it shall in all respects be interpreted, enforced and governed by the internal laws of the State of Alabama.

This Release may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

IN WITNESS WHEREOF, the undersigned hereto have executed this Release effective as of the date first set forth above.

RELEASOR:

_____

Name of Franchisee:

By: _____
Name: _____
Title: _____

Individually (Owner) Spouse

_____ _____

Individually (Owner) Spouse

_____ _____

AGREED AND ACKNOWLEDGED:

The Knight School Franchising, LLC

By: _____
Name: _____
Title: _____

Exhibit B

Personal Guaranty

This Guaranty must be signed by the owners (referred to as "you" or "your" for purposes of this Guaranty only) of _____ (the "Business Entity") under the Franchise Agreement dated _____ (the "Franchise Agreement" and each and every agreement signed by Business Entity and us or any affiliate of ours, including the Franchise Agreement, the "Franchise Agreements") with The Knight School Franchising, LLC ("us," or "our" or "we"). Terms not defined herein shall have the meaning set forth in the Franchise Agreement.

1. **Scope of Guaranty**. In consideration of and as an inducement to our signing and delivering the Franchise Agreements, each of you signing this Guaranty personally and unconditionally: (a) guarantee to us and our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Franchise Agreements; and (b) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreements.

2. **Waivers**. Each of you waive: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.

3. **Consents and Agreements**. Each of you consent and agree that: (a) your direct and immediate liability under this Guaranty are joint and several; (b) you must render any payment or performance required under the Franchise Agreements upon demand if the Business Entity fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Franchise Agreements and, for obligations surviving the termination or expiration of the Franchise Agreements, after their termination or expiration.

4. **Enforcement Costs**. If we are required to enforce this Guaranty in any judicial proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', paralegals', mediators',

arbitrators and expert witness fees, costs of investigation and proof of facts, court costs, filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. **Effectiveness**. Your obligations under this Guaranty are effective on and from the Franchise Agreement Effective Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Franchise Agreements.

6. **Governing Law**. This Guaranty shall be deemed to have been made in and governed by the laws of the State of Alabama, which laws shall prevail in the event of any conflict of law.

7. **Internal Dispute Resolution**. You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Guaranty to our CEO. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Guaranty.

8. **Dispute Resolution**. At our option, all claims or disputes between you and us arising out of, or in any way relating to, this Guaranty or the Franchise Agreement or any other agreement by and between you and us, or any of the parties' respective rights and obligations arising from such agreements or your operation of the Franchise must be submitted first to internal dispute resolution, then mediation and finally arbitration as set forth in the Franchise Agreements. This agreement to mediate and arbitrate at our option shall survive the termination or expiration of this Guaranty.

9. **Third Party Beneficiaries**. Our officers, directors, owners, members, agents, representatives, affiliates, the Cooperative and/or employees are express third party beneficiaries of the Franchise Agreements and this Guaranty, and the mediation and arbitration provisions incorporated by reference herein, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by you.

10. **Injunctive Relief**. Nothing contained in this Guaranty shall prevent us from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect our interest prior to the filing of any mediation proceeding or pending the arbitration or handing down of a decision or award pursuant to any mediation or arbitration conducted hereunder.

11. **Jurisdiction and Venue**. With respect to any proceeding not subject to mediation or arbitration, the parties expressly agree to submit to the jurisdiction and venue of any court of general jurisdiction in the State of Alabama and the jurisdiction and venue of the United States District Court for the Southern District of Alabama.

12. **Jury Trial Waiver**. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS GUARANTY OR THE FRANCHISE AGREEMENTS, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM US OF THE FRANCHISE.

13. **Waiver of Punitive Damages**. You waive to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages, and agree that in the event of a dispute, your recovery shall be limited to actual damages. If any other term of this Guaranty 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. **Waiver of Class Actions**. Each of the parties hereby irrevocably waives the right to litigate on a class action basis, in any action, proceeding, or counterclaim, whether at law or in equity, brought by any party.

15. **Limitation on Action**. You agree that no cause of action arising out of or under this Guaranty or any of the Franchise Agreements may be maintained by you 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 the us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

16. **Counterparts**. This Guaranty may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Signature Page to Follow]

Each of you now sign and deliver this Guaranty effective as of the date of the Franchise Agreement regardless of the actual date of signature.

PERCENTAGE OF OWNERSHIP INTEREST IN BUSINESS ENTITY	**GUARANTORS**
Percentage: _____%	Name: _____ Signature: _____ Date: _____
Percentage: _____%	Name: _____ Signature: _____ Date: _____

Exhibit C-1

Non-Compete, Confidentiality and Non-Solicitation Agreement

I, _____ agree that during my association with _____ ("Franchisee") and The Knight School Franchising, LLC, and its affiliates (collectively referred to as "The Knight School") and for twenty-four (24) months immediately thereafter, I will not (whether as owner, partner, associate, agent, consultant, employee, independent contractor, member, stockholder, officer or otherwise of another or on my own account):

(a) Divert, solicit, interfere with, misappropriate, take away or attempt to divert or take away any source of business or revenue or any customer, referral source, broker, insurer, vendor, supplier, trade or patronage with whom Franchisee, The Knight School, any affiliate of The Knight School or any other franchisee does business or whom I know Franchisee, The Knight School, any affiliate of The Knight School or any other franchisee has contacted or solicited for business relationships; or

(b) Within the Non-Compete Area (defined below), participate in the development of, or engage in, or market, sell, distribute, render, provide, perform or sell (including through licensing or franchising) products, goods, or services the same or similar to the products, goods, or services offered by the Franchisee or The Knight School, or contribute my knowledge or have any financial interest in any work or activity that relates to or involves or is in any way engaged in the operation, licensing, franchising or consulting, developing, marketing, organizing, providing, promoting, coordinating or selling professional chess instruction of any kind at a retail establishment selling primarily such items; or

(d) Induce or attempt to induce, or solicit any of Franchisee's, The Knight School or other The Knight School's affiliates' or franchisees' strategic partners, customers, referral sources, brokers, personnel or other independent contractors to accept employment or an affiliation of any kind with me or any third party; or

(e) Perform or contribute to any other act injurious or prejudicial to the goodwill associated with The Knight School or its trademarks, trade names or other intellectual property.

In addition to the above, I agree to at all times during and after this Agreement, treat as confidential all manuals and materials designated for use by The Knight School with a The Knight School business (including without limitation the Operations Manual), and such other information as The Knight School or the Franchisee may designate from time to time for confidential use with The Knight School business (as well as all trade secrets and confidential information, knowledge and know-how concerning the operation of the Franchise that may be imparted to, or acquired by, me from time to time in connection with my relationship with The Knight School and the Franchisee), and shall use all reasonable efforts to keep such information confidential and shall not use the confidential information for any other purpose other than in connection with the operation of the Franchise. I acknowledge that the unauthorized use or disclosure of such confidential information (and trade secrets, if any) will cause incalculable and irreparable injury to The Knight School and the Franchisee. I accordingly agree that I shall not, at any time, without The Knight School's and the Franchisee's prior written consent, disclose, use or permit the use (except as may be required

by applicable law or authorized by this Agreement) of such information, in whole or part, or otherwise make the same available to any unauthorized person or source. Any and all information, knowledge and know-how not generally known about The Knight School's System Standards (as that term is defined in the Franchise Agreement) and such other information or material as The Knight School or the Franchisee may designate as confidential, shall be deemed confidential for purposes of this Agreement.

The "Non-Compete Area" means: (1) in Franchisee's territory as granted by The Knight School to Franchisee under their Franchise Agreement and twenty-five (25) miles of such Franchisee's territory, (2) within any other The Knight School Franchisee territory or other business which is franchised, owned, operated or managed by The Knight School (3) business conducted via the Internet or other form of e-commerce, wherever located; or (4) within twenty-five (25) miles of any territory in existence or under development as of the end of the term of the Franchise Agreement between The Knight School and Franchisee.

Because of my significant responsibilities and access to proprietary information of The Knight School and the Franchisee, I acknowledge that each of my obligations in this Agreement is reasonable and necessary to protect the Franchisee's, The Knight School's and its franchisees' legitimate business interests. I understand that breaking any of my promises or obligations will irreparably and continually damage Franchisee, The Knight School, and The Knight School Franchisees for which money damages may not be adequate.

Consequently, if I violate any of my promises in this Agreement, or The Knight School and/or Franchisee has reason to believe that I am about to violate this Agreement, without limitation to other available remedies, The Knight School and Franchisee will be entitled to both: (1) a preliminary or permanent injunction to prevent the continuing harm to The Knight School (and/or any of its franchisees) and/or Franchisee, and (2) money damages insofar as they can be determined. An injunction ordering me to stop any activities that may violate this Agreement will not prevent me from earning a living. I will pay The Knight School and/or Franchisee its costs and expenses resulting from any enforcement of this Agreement resulting from my violation of the terms hereof, including reasonable attorneys' fees.

If any court determines that any of the covenants set forth in this Agreement, or any part thereof, is unenforceable because of the duration or geographic scope of such provision, such court shall have the power to reduce the duration or scope of such provision, as the case may be, and, in its reduced form, such provision shall then be enforceable. This Agreement shall be enforced and governed by and under the substantive law of the State of Alabama, without regard to choice of law rules, unless otherwise provided herein.

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

Name:
Title:

Date

AGREED AND ACKNOWLEDGED:

The Knight School Franchising, LLC

Name:
Title:

Exhibit C-2

Confidentiality and Non-Use Agreement

I, by my signature set forth below, agree to comply with and to be bound by this Confidentiality and Non-Use Agreement (the "Agreement").

I am an owner, operator, employee or independent contractor ("Signatory") of _____ (the "Employer"). Employer is a franchisee of The Knight School Franchising, LLC ("Franchisor"). Franchisor owns certain confidential information and trade secrets; and, in order to induce Franchisor to disclose such Confidential Information to Franchisee, Franchisor and Franchisee have required me to execute this Agreement. I acknowledge and agree that I will receive consideration from my agreement to comply with and to be bound by this Agreement, in that without this Agreement, Franchisee would not employ me.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of all of which I hereby acknowledge, I agree as follows:

1. **Definitions**. As used in this Agreement:

1.1 "Confidential Information" means any information related to Franchisee or Franchisor that Franchisee or Franchisor discloses to me that either designates as confidential; or that, by its nature, would reasonably be expected to be held in confidence or kept secret. Without limiting the definition of "Confidential Information", all the following shall be conclusively presumed to be Confidential Information whether or not Franchisee or Franchisor designates them as such: (1) the Operations Manual; (ii) cost information; (iii) materials describing Franchisor's franchise system; (iv) training materials and any information learned at any training; and (v) other information Franchisee or Franchisor gives to me in confidence.

1.2 "Trade Secret" means information that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. Without limiting the definition of "Trade Secrets," all the following shall be conclusively presumed to be Trade Secrets whether or not Franchisee or Franchisor designates them as such: (i) Franchisee's or Franchisor's strategies, methods, and procedures; (ii) sources of supply, vendors and distributors; and (iii) Franchisee's or Franchisor's advertising, marketing, and public relations strategies.

1.3 The terms "Confidential Information" and "Trade Secret" do not include, regardless of the means of disclosure: (i) information generally known to the trade or the public at the time Franchisee or Franchisor disclose it to me; (ii) information that becomes known to the trade or the public after Franchisee or Franchisor disclose it to me, unless it becomes known due to my breach of this Agreement; or (iii) information I can prove was known to me at the time Franchisee or Franchisor disclosed it to me.

2. **Protection of Confidential Information and Trade Secrets**. I acknowledge and agree that the Confidential Information and Trade Secrets are not, by definition, generally known

in the trade; that they are beyond my present skill and experience; and that for me to develop such Confidential Information and Trade Secrets on my own would be expensive, time consuming, and difficult. I further acknowledge and agree that the Confidential Information and Trade Secrets would, if disclosed to a third party or used by me in violation of this Agreement, provide the third party or me with a competitive advantage, and that they would be economically valuable to the third party or me in the development of a competing business or otherwise. Accordingly, in consideration of Franchisee's or Franchisor's disclosure of the Confidential Information and Trade Secrets to me, I covenant, warrant, and agree that:

2.1 I will not, during the term of this Agreement: (i) appropriate or use any Confidential Information or Trade Secret for any purpose other than at those designated by Franchisee, in furtherance of Franchisee's business, and pursuant to Franchisee's direction; (ii) use any Confidential Information or Trade Secret at any place except at Franchisee's Knight School Franchised Business; (iii) disclose or reveal any portion of the Confidential Information or Trade Secrets to any person, other than to Franchisee's directors, officers, owners, management employees, or others who have a legitimate business need to know of them in order to further Franchisee's business; or (iv) divulge or use any Confidential Information or Trade Secrets for the benefit of any other person or entity except as Franchisee or Franchisor expressly authorize.

2.2 I will not, for a period of two (2) years after the termination or expiration of my employment or engagement with Franchisee for any reason: (i) appropriate or use any Confidential Information for any purpose; or (ii) divulge or use any Confidential Information for the benefit of any other person or entity.

2.4 I will not copy, duplicate, record, or otherwise reproduce any of the Confidential Information or Trade Secrets, in whole or in part; store such Confidential Information or Trade Secrets in a computer retrieval or data base; or otherwise make such Confidential Information or Trade Secrets available to any third party, except as set forth in this Agreement or as Franchisee or Franchisor specifically authorize.

2.5 I will make all reasonable efforts and take all reasonable precautions required to prevent unauthorized copying or disclosure of any Confidential Information or Trade Secrets.

2.6 On termination or expiration of my employment or engagement or cessation of my business relationship with Franchisee for any reason, or when I am no longer assigned to work with any Confidential Information or Trade Secrets, I will promptly surrender to Franchisee all copies of any Confidential Information or Trade Secrets and any notes, memoranda, and like material concerning or derived from the Confidential Information or Trade Secrets.

3. **Unfair Competition**. I acknowledge and agree that: (i) any breach by me of Section 2 of this Agreement shall may be conclusively presumed to constitute unfair competition; and (ii) Sections 1 and 2 of this Agreement are a reasonable effort under the circumstances to maintain the confidentiality of Franchisee's or Franchisor's Confidential Information and the secrecy of their Trade Secrets.

4. **Works Made for Hire**. If Franchisee directs me to create works derived from any Confidential Information or Trade Secrets, such works shall be deemed works made for hire and

Franchisee shall own all copyrights in such works, subject to its obligations to assign such rights to Franchisor.

5. **Remedies**. I agree that I shall be liable to Franchisor for any and all damage, damages, loss, losses, costs, and expenses, including reasonable attorneys' fees, caused by my willful or negligent use or disclosure of any Confidential Information, Trade Secret, or information contained therein, in violation of this Agreement. I acknowledge and agree that Franchisor is an intended third-party beneficiary of this Agreement and is entitled to enforce any provision of this Agreement.

6. **Limitation**. I understand that this is not an employment agreement of any kind, and that I am an "at-will" employee unless otherwise provided in a written employment agreement with Franchisee.

7. **Construction**. This Agreement shall be governed for all purposes by the laws of the State of Alabama, and shall be construed to maximize protection for Franchisor's rights in the Confidential Information, Trade Secrets, and goodwill. If any provision of this Agreement is declared void or unenforceable, such provision shall be deemed severed, and the balance of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, agreeing to be legally bound hereby, I have duly set my hand and seal to this Confidentiality Agreement and have duly executed and delivered this Confidentiality Agreement as of the date set forth below.

_____
Signatory

_____
Print Name

Date: _____

Address:

_____

_____

Exhibit D

Internet Website, Telephone and Listing Agreement

INTERNET WEB SITES, TELEPHONE AND LISTINGS AGREEMENT

THIS INTERNET WEB SITES, TELEPHONE AND LISTINGS AGREEMENT (the "Internet and Telephone Listing Agreement") is made and entered into as of _____ (the "Effective Date"), by and between The Knight School Franchising, LLC (the "Franchisor"), and _____, a _____ (the "Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet and Telephone Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Internet and Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1 Interest in Internet Web Sites, Telephone Numbers and Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, social media platforms such as social networking website, including but not limited to Facebook, SnapChat, LinkedIn, Twitter (X), Pinterest, or any blogs or other bulletin boards, or chat rooms, other networking and share sites (collectively, the "Internet Web Sites") and to those certain telephone numbers and regular, classified, and yellow-page (collectively, the "Telephone Numbers"), including the right to hyperlink to certain web sites and listings on various Internet search engines and other telephone directory listings ("Listings"), related to the Franchise or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Internet Service Providers, domain name registries, Internet search engines, and other listing agencies (collectively, the "Internet Companies") and all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Internet Web Sites, Telephone Numbers and/or Listings to: (i) transfer all of Franchisee's Interest in such Internet Web Sites, Telephone Numbers and/or Listings to Franchisor, (ii) provide us with primary administrative access to such Internet Web Sites, and (iii) execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites, Telephone Numbers and/or Listings, Franchisee will immediately direct the Internet Companies and Telephone Companies to terminate such Internet Web Sites, Telephone Numbers and/or Listings or will take such other actions with respect to the Internet Web Sites, Telephone Numbers and/or Listings as Franchisor directs. In the event that Franchisor accepts one or more Internet Web Sites, Telephone Numbers and/or Listings, Franchisor agrees to assume and be responsible for all obligations and liabilities with respect to such Internet Web Sites, Telephone Numbers and/or Listings. Notwithstanding the foregoing, if Franchisee uses their personal cell phone number, they shall be exempt from this section 2.2.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under this Internet and Telephone Listing Agreement, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet and Telephone Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation, this Internet and Telephone Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Internet Companies and Telephone Companies to transfer all Franchisee's Interest in and to the Internet Web Sites, Telephone Numbers and/or Listings to Franchisor, in such case Franchisor shall assume and be responsible for all obligations and liabilities with respect to the Internet Web Sites, Telephone Numbers and/or Listings;

2.3.2 Direct the Internet Companies and Telephone Companies to terminate any or all of the Internet Web Sites, Telephone Numbers and Listings; and

2.3.3 Execute the Internet Companies' or Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee shall use its best efforts to direct the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of

the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Internet Companies and Telephone Companies have duly transferred all Franchisee's Interest in such Internet Web Sites, Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites, Telephone Numbers and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the sums Franchisee is obligated to pay such Internet Companies and Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Franchisee's Interest (and Franchisor shall become liable for any sums to be paid to the Internet Companies and/or Telephone Companies for obligations incurred on and after the date Franchisor duly accepted the transfer of such Interest), or for any other obligations not subject to the Franchise Agreement or this Internet and Telephone Listing Agreement.

3. MISCELLANEOUS

3.1 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement provided that Franchisor prevails in its efforts to enforce this Agreement, which reasonable costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee shall indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations to the extent that they are related to or are based on Franchisee's breach of this Internet and Telephone Listing Agreement, unless the claims, obligations or damages are determined to be caused in whole or in part by Franchisor's gross negligence or willful misconduct. Franchisor shall indemnify, defend, and hold harmless Franchisee and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors of any and all of them, from and against, and will reimburse Franchisee and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations to the extent that are related to or are based on Franchisor's breach of this Internet and Telephone Listing Agreement, including, but not limited to, Franchisor's failure to assume or pay any claim or obligation to the Internet Companies incurred on and after the date Franchisor duly accepted the transfer of such Interest, unless the claims, obligations or damages are determined to be caused in whole or in part by Franchisee's negligence, fault or willful misconduct.

3.2 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites, Telephone Numbers and Listings.

3.3 Further Assurances. Franchisee agrees that at any time after the date of this Internet and Telephone Listing Agreement, Franchisee shall perform such acts and execute and deliver

such documents as may be necessary to assist in or accomplish the purposes of this Internet and Telephone Listing Agreement.

3.4 Successors and Assigns. All of Franchisor's rights and powers, and all of Franchisee's obligations, under this Internet and Telephone Listing Agreement shall be binding on Franchisee's successors and assigns as if they had duly executed this Internet and Telephone Listing Agreement.

3.5 Effect on Other Agreements. Except as otherwise provided in this Internet and Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.6 Survival. This Internet and Telephone Listing Agreement shall survive the Termination of the Franchise Agreement.

3.7 Joint and Several Obligations. All Franchisee's obligations under this Internet and Telephone Listing Agreement shall be joint and several.

3.8 Governing Law. This Internet and Telephone Listing Agreement shall be governed by and construed under the laws of the State of Alabama without regard to the application of Alabama conflict of law rules.

3.9 Counterparts. This Internet and Telephone Listing Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Internet and Telephone Listing Agreement as of the Effective Date.

FRANCHISOR: The Knight School Franchising, LLC	FRANCHISEE:
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Exhibit E

Electronic Funds Transfer (EFT) Authorization

Franchisee Information:
Franchisee Name:
Franchisee Mailing Address (street): Franchise Phone No.:

Franchisee Mailing Address (city, state, zip):

Bank Account Information:
Bank Name: Bank Account No.:

Bank Mailing Address (street): Bank Routing No.:

Bank Mailing Address (city, state, zip): Bank Phone No.:

Payee Information:
The Knight School Franchising, LLC

Authorization:
The Franchisee hereby authorizes the Bank to honor and charge the Bank Account for electronic funds transfers or drafts drawn on the Bank Account and payable to the Payee. The amount of such charge shall be set forth in a notice from the Payee presented to the Bank on Tuesday of each week. The Franchisee agrees to execute such additional documents as may be reasonably requested by the Payee or the Bank to evidence the interest of this EFT Authorization. This authority shall remain in full force and effect until the Payee has received written notification from the Franchisee in such time and manner as to afford the Payee and the Bank to act on such notice. The Franchisee understands that the termination of this authorization does not relieve the Franchisee of its obligations to make payments to the Payee.

Signature: _____ Date: _____

INDEMNIFICATION OF BANK

In consideration of the Bank's compliance with the foregoing request and authorization, the Payee agrees with respect to any action by the Bank in compliance with the foregoing request and authorization to indemnify the Bank and hold the Bank harmless for, from and against any loss the Bank may suffer as a consequence of the Bank's actions from or in connection with the execution and issuance of any electronic fund transfer or draft, whether or not genuine, purporting to be executed by the Payee and received by the Bank in the regular course of business for the purpose of payment, except to the extent such loss caused by the negligence or willful misconduct of the Bank.

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

Exhibit F

MULTI-STATE FRANCHISE AGREEMENT AMENDMENTS

CALIFORNIA AMENDMENT
TO FRANCHISE AGREEMENT

Company and Franchisee hereby agree that the Franchise Agreement dated _____, will be amended as follows:

1. 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.

2. Section 8.1 of the Franchise Agreement is amended as follows:

   "As a condition to becoming registered to offer and sell franchises in the state of California, we have agreed to defer your obligation to pay the Initial Franchise Fee under the Franchise Agreement pursuant to a Promissory Note by and between parties until your Knight School Franchise is open and initial training and our pre-opening obligations provided. Therefore, during the period that such fee deferral requirement is in effect ("Fee Deferral Period"), you will not be required to pay the Initial Franchise Fee until you have been provided with initial training and we satisfied our pre-opening obligations and you begin operating your Knight School Franchise. Immediately upon notice from us that the Fee Deferral Period has ended, you must pay us an initial franchise fee as provided in Section 8.1 of the Agreement and the Promissory Note.

IN WITNESS WHEREOF, Company and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

COMPANY:	Franchisee:
The Knight School Franchising, LLC	_____
By: _____	By: _____
Its: _____ (title)	Its: _____ (title)

ILLINOIS AMENDMENT
TO FRANCHISE AGREEMENT

Company and Franchisee hereby agree that the Franchise Agreement dated _____, 20__, will be amended as follows:

1. Illinois law governs the Franchise Agreement.

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

3. Your rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

IN WITNESS WHEREOF, Company and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

COMPANY:	Franchisee:
The Knight School Franchising, LLC	_____
By: _____	By: _____
Its: _____ (title)	Its: _____ (title)

INDIANA AMENDMENT
TO FRANCHISE AGREEMENT

Company and Franchisee hereby agree that the Franchise Agreement dated ___ , 20_, will be amended as follows:

1. The laws of the State of Indiana supersede any provision of the Franchise Agreement or Alabama Law if such provisions are in conflict with Indiana law. The Franchise Agreement will be governed by Indiana law.

2. The following language is added to 16.2 of the Franchise Agreement:

> ", except that the general release provisions shall not apply to any liability under the Indiana Deceptive Franchise Practices Law."

3. Choice of forum for litigation will not be limited to the State of Alabama.

COMPANY:	Franchisee:
The Knight School Franchising, LLC	_____
By: _____	By: _____
Its: _____ (title)	Its: _____ (title)

MARYLAND AMENDMENT
TO FRANCHISE AGREEMENT

Company and Franchisee hereby agree that the Franchise Agreement dated _____, 20__, will be amended as follows:

1. Section 8.1 is amended by adding the following at the end of the initial fee section:

> "Based upon the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all Initial Fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement."

2. The following language is added to Section 16.2 of the Franchise Agreement:

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

3. The following language is added to Section 22 of the Franchise Agreement:

> "Franchisee may bring a lawsuit in Maryland for claims arising out of the Maryland Franchise Registration and Disclosure Law. All claims arising under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg., Sections 14-201 through 14-233) shall be commenced within three (3) years after the grant of the franchise."

4. The following language is added to Section 22.11 of the Franchise Agreement:

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

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

IN WITNESS WHEREOF, Company and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

COMPANY:	Franchisee:
The Knight School Franchising, LLC	_____
By: _____	By: _____
Its: _____ (title)	Its: _____ (title)
Date: _____	Date: _____

MINNESOTA AMENDMENT
TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

Company and Franchisee hereby agree that the Franchise Agreement dated _____, 20__, will be amended as follows:

1. Section 20.2 of the Franchise Agreement is amended to add the following language:

> "The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee's use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim."

2. Section 18 of the Franchise Agreement is amended to read as follows:

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

3. Franchisor will protect the Franchisee's right granted hereby to use the Marks or will indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

4. Section 22 of the Franchise Agreement is amended as follows:

> "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 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 laws of the jurisdiction."

5. Minn. Rule 2860.4400J. prohibits waiver of a jury trial. Accordingly, Section 22 of the Franchise Agreement is amended as follows:

"Nothing contained herein shall limit Franchisee's right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J. Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5."

6. Section 22 is amended to read as follows:

"Company may seek injunctive relief, without bond if determined by the court of competent jurisdiction that a bond is not required, against Franchisee restraining the unauthorized use of any Mark or Copyrighted Materials, or the unauthorized use or disclosure of Company's confidential information.

7. Section 22 is amended to read as follows:

"Company may, at its option, seek injunctive and other equitable relief against Franchisee from any court of competent jurisdiction;"

IN WITNESS WHEREOF, Company and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

COMPANY:	Franchisee:
The Knight School Franchising, LLC	_____
By: _____	By: _____
Its: _____ (title)	Its: _____ (title)

NEW YORK AMENDMENT
TO FRANCHISE AGREEMENT

Company and Franchisee hereby agree that the Franchise Agreement dated _____, 20__, will be amended as follows:

1. Section 18.1 of the Franchise Agreement is amended by adding a subsection (a) stating:

> "Franchisee may terminate this Agreement upon any grounds available at law."

2. The following is added to Section 22 of the Franchise Agreement:

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

IN WITNESS WHEREOF, Company and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

COMPANY:	Franchisee:
The Knight School Franchising, LLC	_____
By: _____	By: _____
Its: _____ (title)	Its: _____ (title)

NORTH DAKOTA AMENDMENT
TO FRANCHISE AGREEMENT

Company and Franchisee hereby agree that the Franchise Agreement dated _____, 20__, will be amended as follows:

1. Section 15.6 of the Franchise Agreement is amended to add the following:

> "Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota."

2. Any provision in the Franchise Agreement which requires the Franchisee to sign a general release upon renewal of the Franchise Agreement is hereby deleted from any Franchise Agreement issued in the State of North Dakota.

3. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or Colorado law if such provisions are in conflict with North Dakota law. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from any Franchise Agreement issued in the State of North Dakota.

IN WITNESS WHEREOF, Company and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

COMPANY:	Franchisee:
The Knight School Franchising, LLC	_____
By: _____	By: _____
Its: _____ (title)	Its: _____ (title)

OHIO AMENDMENT
TO FRANCHISE AGREEMENT

Ohio Notice of Cancellation

(FOR OHIO FRANCHISEES ONLY)

_____ (Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to The Knight School Franchising, LLC, at 2612 Vestavia Forest Terrace, Birmingham, Alabama 35216, not later than midnight of (enter date).

I hereby cancel this transaction.

_____ _____

)Date) (Purchaser's Signature)

RHODE ISLAND AMENDMENT
TO FRANCHISE AGREEMENT

Company and Franchisee hereby agree that the Franchise Agreement dated _____, 20__, will be amended as follows:

1. The laws of the State of Rhode Island supersede any provisions of the Franchise Agreement, the other agreements or Colorado law if such provisions are in conflict with Rhode Island law.

2. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of Rhode Island, is deleted from any Franchise Agreement issued in the State of Rhode Island.

IN WITNESS WHEREOF, Company and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

COMPANY:	Franchisee:
The Knight School Franchising, LLC	_____
By: _____	By: _____
Its: _____	Its: _____
(title)	(title)

WASHINGTON AMENDMENT
TO FRANCHISE AGREEMENT

Company and Franchisee hereby agree that the Franchise Agreement dated _____, 20__, will be amended as follows:

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a

franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

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

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

IN WITNESS WHEREOF, Company and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

COMPANY:	Franchisee:
The Knight School Franchising, LLC	_____
By: _____	By: _____
Its: _____ (title)	Its: _____ (title)

Exhibit G

Territorial Amendment

The undersigned franchisee ("Franchisee") and The Knight School Franchising, LLC ("Franchisor") hereby agree to amend the Designated Territory as set forth in the Franchise Agreement between Franchisee and Franchisor dated _____, as follows:

Licensee voluntarily forfeits any/all protected status for Zip Codes not listed above, including any Designated Territory specified in prior License Agreements, Franchise Agreements and License Agreement and Franchise Agreement Amendments.

In connection with the Designated Territory as defined in the Franchise Agreement and as modified by this Amendment, Licensee agrees to indemnify, defend, and hold harmless Licensor and its affiliates, assignees, subsidiaries, members, officers, directors, employees, contractors, agents, and successors from any and all claims, demands, penalties, suits, administrative proceedings, investigations, settlements, judgments, and related expenses, including attorneys' fees and court costs, arising from any act or omission within the adjusted Designated Territory. By signing this Amendment, Licensee expressly waives any claims, demands, or actions, whether known or unknown, against Licensor related to the Designated Territory as defined in the original Franchise Agreement prior to the effective date of this Amendment.

Franchisee, on his, her or its own behalf and on behalf of all of his, her or its officers, managers, representatives, agents, legal entities, and attorneys (collectively, the "Franchisee Releasors"), hereby release, acquit and forever discharge Franchisor and TKSA all of their respective affiliates, predecessors, subsidiaries, and successors, and all of their respective present, future or former officers, directors, shareholders, owners, managers, members, partners, representatives, employees, agents, attorneys, and the respective affiliates of each of the foregoing (collectively the "Franchisor Released Parties"), from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, damages costs, attorneys' fees, actions or causes of

action whatsoever, whether known or unknown, which any of Franchisee Releasors, by itself/himself/herself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, has, had or claims to have against any Franchisor Released Parties, including those arising out of or related to (1) Franchisee's relationship with TKSA, (2) the membership agreement and any transactions entered into thereunder, (3) the operation of the Franchisee as an Implementer prior to the Effective Date and (4) any other franchise-related statute, law or regulation that is applicable to the Parties' relationship or any other claim arising from the interactions of the Parties prior to the execution of the Franchise Agreement. This release does not, however, include any claims that arise from a breach of the Franchise Agreement or this Addendum.

Franchisee Parties represent and warrant that none of them will initiate, assist or cooperate with any third party in connection with any action or other proceeding against any Franchisor Released Parties in connection with the claims released in this Section 3, unless compelled by law. Franchisee Parties hereby acknowledge that this release is intended to be a full and unconditional general release, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist except as otherwise provided in this Section.

In California the following provision shall apply: Franchisee Releasor hereby expressly waives, to the fullest extent permitted by law, the provisions and benefits of Section 1542 of the California Civil Code, which statute provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

IN WITNESS WHEREOF, Company and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

COMPANY:	Franchisee:
The Knight School Franchising, LLC	_____
By: _____	By: _____
Its: _____ (title)	Its: _____ (title)

Exhibit H

THE KNIGHT SCHOOL FRANCHISING, LLC
FORMER LICENSEE CONVERSION ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM ("Addendum") dated this ____ day of 20___, hereby amends and modifies the Knight School Franchising Agreement dated _____, 20__ (the "Franchise Agreement"), by and between The Knight School Franchising, LLC, an Alabama limited liability company ("Franchisor", "we", "us", or "our"), and the franchisee set forth on the signature page hereto ("Franchisee", "you" or "your"). Franchisor and Franchisee are also referred to herein as a "Party" and collectively, the "Parties." Terms not defined herein shall have the meaning set forth in the Franchise Agreement.

Background

You entered into license agreement with our affiliate, The Knight School America, LLC ("TKSA") under which you operate a Knight School licensed location ("License Agreement"). You now desire to enter into the Franchise Agreement. In recognition of the pre-existing business relationship with TKSA and in exchange for the general release described in Section 3 below, we are agreeing to amend your Franchise Agreement as set forth herein.

Agreement

NOW, THEREFORE, the Parties, intending to be legally bound, hereby agree as follows:

1. **Amendment.**

   a. Section 8.1 is amended to state that Franchisee shall only be required to pay the remaining amount of any Initial Fee Installment that was not previously paid under the License Agreement.

   b. Section 8.2 is amended and restated as follows:

   Royalty Fees. In addition to the Initial Franchise Fee, you will, for the entire Term of this Agreement, remit to us a monthly fee equal to fifteen percent (15%) of the Franchise's total monthly Gross Revenue (as defined in Section 8.6 hereof, in consideration for use of the Marks, Intellectual Property and System (the "Royalty Fee") on or before the 10th day of each month based upon Gross Revenue for the immediately preceding month. We reserve the right to change the frequency with which you pay Royalty Fees, in our sole discretion, upon written notice. Royalty Fees remitted to us will not be refundable under any circumstances. If the Royalty Fee under your License Agreement was less than 15%, then you will pay the lesser amount for the duration of the Term. Section 8.3 is amended to state "We waive collection of any Handling Fees during the first 6 months of operation of your Business, which 6 month period includes any operation under a previous license agreement with us or our Affiliates."

d. Section 8.4 is amended to state that if your License Agreement did not include a provision regarding Brand Fund Fees, then we will reduce your ongoing Royalty Fee by an equivalent amount to any Brand Fund Fee assessed for all months during which the Brand Fund Fee is not waived entirely.

e. Section 8.9 is amended to state that we will waive any fees pursuant to this Section if such fees were not included in your License Agreement.

f. Section 8.11 is amended to state that if your License Agreement did not include a provision regarding Technology Fees, then we will reduce your ongoing Royalty Fee by an equivalent amount to any Technology Fee assessed for all months during which the Technology Fee is not waived entirely.

g. Section 12.2 is amended to state that we will waive any fees pursuant to this Section if such fees were not included in your License Agreement.

h. The last sentence of Section 18.1 ("Notwithstanding, the foregoing, you may terminate this Agreement during the Initial Term of your Agreement in accordance with Section 18.5") is hereby deleted.

i. Section 14.1 is amended to state that we will waive the requirement to submit annual business goals report.

j. The Definition of "Rapidly Growing Territory" is amended to state that if your License Agreement included a differing definition of "Rapidly Growing Territory," Franchisee will receive the more favorable definition in calculation of any discounts per Section 8.1 on a case-by-case basis (in other words every time the fee come up, you can choose the more favorable definition).

2. **Training and Pre-Opening Obligations**. Franchisee acknowledges and agrees that Franchisor shall not be obligated to re-perform any initial training or pre-opening assistance or obligations set forth in the Agreement which were previously provided under the License Agreement.

3. **Personal Guaranty.** During any Renewal Term, the personal guaranty as entered into in connection with the execution of the Franchise Agreement as set forth in the form as Exhibit B shall be limited to all monetary obligations under the Franchise Agreement, breaches or violations of Section 10 (Intellectual Property), breaches or violation of Section 15 (Restrictive Covenants) and obligations to indemnify and hold Franchisor and its Affiliates harmless.

4. **General Release by Franchisee**. Franchisee, on his, her or its own behalf and on behalf of all of his, her or its officers, managers, representatives, agents, legal entities, and attorneys (collectively, the "Franchisee Releasors"), hereby release, acquit and forever discharge Franchisor

and TKSA all of their respective affiliates, predecessors, subsidiaries, and successors, and all of their respective present, future or former officers, directors, shareholders, owners, managers, members, partners, representatives, employees, agents, attorneys, and the respective affiliates of each of the foregoing (collectively the "Franchisor Released Parties"), from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, damages costs, attorneys' fees, actions or causes of action whatsoever, whether known or unknown, which any of Franchisee Releasors, by itself/himself/herself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, has, had or claims to have against any Franchisor Released Parties, including those arising out of or related to (1) Franchisee's relationship with TKSA, (2) the membership agreement and any transactions entered into thereunder, (3) the operation of the Franchisee as an Implementer prior to the Effective Date and (4) any other franchise-related statute, law or regulation that is applicable to the Parties' relationship or any other claim arising from the interactions of the Parties prior to the execution of the Franchise Agreement. This release does not, however, include any claims that arise from a breach of the Franchise Agreement or this Addendum.

Franchisee Parties represent and warrant that none of them will initiate, assist or cooperate with any third party in connection with any action or other proceeding against any Franchisor Released Parties in connection with the claims released in this Section 3, unless compelled by law. Franchisee Parties hereby acknowledge that this release is intended to be a full and unconditional general release, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist except as otherwise provided in this Section.

In California the following provision shall apply: Franchisee Releasor hereby expressly waives, to the fullest extent permitted by law, the provisions and benefits of Section 1542 of the California Civil Code, which statute provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

5. **Remaining Provisions Unchanged.** Except as otherwise provided above, all of the terms and conditions of the Franchise Agreement shall continue in full force and effect, and the representations, warranties, and covenants contained in the Franchise Agreement shall be read to give effect to the rights that are granted under this Addendum. In the event of any conflict or ambiguity between the terms of this Addendum and the Franchise Agreement, the terms of this Addendum shall control.

6. **No Change.** This Addendum may not be changed orally but only in a writing signed by both parties. This Addendum and the Franchise Agreement represents the entire agreement and understanding among the parties in relation to the subject matter of this Addendum. All other agreements, writings or oral representations are hereby deemed merged into the terms of this Addendum.

7. **Transferability.** This Addendum and the terms set forth herein are non-transferable.

8. **Counterparts.** This Addendum may be executed in multiple counterparts and delivered electronically and each counterpart shall be an original and all counterparts, together, shall constitute this Addendum.

9. **Governing Law.** This Addendum shall be governed by and construed in accordance with the laws of the State of Alabama.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date first written above.

COMPANY:	Franchisee:
The Knight School Franchising, LLC	_____
By: _____	By: _____
Its: _____ (title)	Its: _____ (title)

Exhibit I

Promissory Note

(for California Franchisees Only)

FOR CALIFORNIA FRANCHISEES ONLY

SECURED PROMISSORY NOTE

[$35,000] [Date]

Each of the undersigned (hereinafter individually referenced as "Maker"), jointly and severally, promises to pay to the order of The Knight School Franchising, LLC (hereinafter "Holder"), at 2612 Vestavia Forest Terrace, Birmingham, Alabama 35216, or at such other place as Holder may designate in writing from time to time, the principal sum of _____ Dollars ($_____), together with interest on the unpaid balance of the principal from time to time outstanding from the date of this Promissory Note ("Note") until paid in full, as all hereinafter set forth (the "Loan"). Interest shall be calculated on the basis of three hundred sixty-five (365) days per year. Terms not defined herein shall have the meaning set forth in the franchise agreement between Holder and Maker dated of even date hereof (the "Franchise Agreement").

The following terms shall apply to this Note:

1. Loan Term. If not sooner paid, the outstanding principal balance of the Loan shall be due and payable immediately upon Holder satisfying all of its pre-opening obligations as the franchisor under the Franchise Agreement and Maker has commenced operations of the Franchise (the "Due Date") in accordance with the following schedule:

a. $500 shall be paid on the Due Date; and

b. The remaining balance shall be paid in semi-annual installments of $3,450 which payments commence upon the sixth (6th) month anniversary of the Due Date with the last payment ending on the expiration of the Initial Term of the Franchise Agreement.

The Knight School may, in its sole discretion, choose to waive up to one thousand dollars ($1,000) in every semi-annual installments of $3,450 if (i) you have met the Minimum Performance Standards as defined by Section 2.5 and by the Operations Manual; and (ii) your Designated Territory is a "Rapidly Growing Territory" as defined in this Agreement.

All amounts paid pursuant to this Promissory Note shall be paid in legal tender for the payment of public and private debts in the United States of America. If any amount due under this Note is not received by Holder on the date that it is due, Holder may, at Holder's option and without notice to or demand on any Maker, commence charging interest at the rate set forth in Section 2 below. Time is of the essence on this Note. Maker shall not prepay any portion of the Loan prior to the Due Date.

2. Late Charge and Interest. If the Loan is not paid in full on the expiration of the Initial Term of the Franchise Agreement or upon termination of the Franchise Agreement, Maker, the balance of this Note will bear interest at the rate of ten percent (10%) effective as of the day immediately following the Due Date; provided, however, Maker shall not be required to pay any amount of interest or other fees or charges that is in excess of the maximum permitted by applicable law. Interest shall be calculated on the basis of the actual number of days elapsed from the later of the date due or the date of the last payment received under this Note to the date of the applicable payment and on the unpaid balance of the principal from the later of the date of this Note or the date of the last payment received under this Note to the date of the applicable payment. Any payment in excess of such maximum shall be refunded to Maker or credited against the principal, at the option of Holder. If the Franchise Agreement is terminated for any reason or

no reason prior to the expiration of the Initial Term, then all amounts due under this Note shall be immediately due and payable subject to Maker not paying any portion of the Loan prior to the Due Date.

3. Security Interest.

(a) This Note and the due performance by Maker of all of its obligations hereunder are secured by all of Maker's right, title and interest in and to the following property, in each case whether now or hereafter existing, whether now owned or hereafter acquired and whether or not subject to the UCC (the "Security Interest"): all of the tangible and intangible personal property owned by Maker, Maker's individual owners and Maker's Knight School franchised business (the "Franchised Business"), including, without limitation, the license to operate the Franchised Business granted by Holder to Maker pursuant to that certain Franchise Agreement (collectively the "Collateral").

(b) Maker represents and warrants that he has full title to the Collateral free from any lien, security interest, encumbrance, or claim, and Maker will, at Maker's cost and expense, defend any action that may affect Holder's Security Interest in, or Maker's title to, the Collateral.

(c) Maker will join in executing all necessary financing statements in forms satisfactory to Holder and will further execute all other necessary instruments deemed necessary by Holder. Maker hereby acknowledges and understands that Holder may file UCC and such other financing statements (collectively, the "Financing Statements") concerning Holder's Security Interest in the Collateral, and Maker hereby gives its permission to Holder, as Maker's attorney-in-fact, to file all such Financing Statements as deemed necessary in the sole discretion of Holder.

(d) Except in the ordinary course of business, Maker will not, without the written consent of Holder, which consent shall not be unreasonably conditioned, delayed or withheld, sell, contract to sell, lease, encumber, or dispose of the Collateral or any interest in it until this Note and all debts secured by it have been fully satisfied.

(e) Subject to ordinary wear and tear in the course of Maker's ordinary course of business, Maker will keep the Collateral in good order and repair and will not waste or destroy the Collateral or any part of it. Maker will not use the Collateral in violation of any statute or ordinance and Holder will have the right to examine and inspect the Collateral at any reasonable time.

4. Costs and Expenses; Waiver by Maker. Maker shall pay to Holder and reimburse Holder for any and all costs and expenses, including attorney's fees and court costs, if any, incurred by Holder in connection with the enforcement or collection hereof; both before and after the commencement of any action to enforce or collect this Note, but whether or not any such action is commenced by Holder. Maker waives presentment, protest and demand, notice of protest, notice of dishonor and nonpayment of this Note and expressly agrees that this Note or any payment hereunder may be extended from time to time without in any way affecting the liability of the Maker hereunder.

5. Cumulative Remedies; No Waiver by Holder. The rights and remedies of Holder hereunder shall be cumulative and concurrent and may be pursued singularly, successively or together at the sole discretion of Holder, and may be exercised as often as occasion therefor shall occur, and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same or any other right or remedy.

6. Evidence of Indebtedness. This Note is given and accepted as evidence of indebtedness only, and not in payment or satisfaction of any indebtedness or obligation.

7. Headings. The headings used in Note are for convenience only and are not to be interpreted as a part of this Note.

8. Attorneys' Fees and Costs. In the event that thereafter this Note is placed in the hands of an attorney for collection, or in the event that this Note is collected in whole or in part through legal proceedings of any nature, then and in any such case, Holder shall be entitled to collect (in addition to all principal, interest and other amounts due hereon) Holder's reasonable costs, expenses, and attorneys' fees incurred in the collection of this Note.

9. Waivers and Remedies. Each Maker, surety, endorser, and guarantor of this Note (i) waives demand, presentment for acceptance, presentment for payment, notice of dishonor, protest of dishonor, notice of intent to file suit, and diligence in collecting this Note; (ii) agrees to any substitution, exchange, or release of any collateral securing the indebtedness evidenced by this Note for the release of any person or entity primarily or secondarily liable on this Note; (iii) agrees that the Holder shall not be required first to institute suit or exhaust its remedies against the Maker or others liable or to become liable on this Note or to enforce the Holder's rights against any collateral then securing the payment of this Note in order to enforce payment of this Note against any collateral then securing the payment of this Note or against anyone liable on this Note; (iv) consents to any extension or postponement of time for payment of this Note and to any other indulgence with respect to this Note without notice thereof; and, (v) agrees that neither the failure of the Holder to exercise the Holder's right to accelerate the maturity of the indebtedness nor the Maker being granted indulgence from time to time shall in any event be considered a waiver of the Holder's right of acceleration or estop the Holder from exercising said right.

13. Usury. All agreements between Maker and Holder, whether now existing or hereafter arising and whether written or oral, are expressly limited so that in no contingency or event whatsoever, whether by acceleration of the maturity of this Note or otherwise, shall the amount paid, or agreed to be paid, to Holder for the use, forbearance or detention of the money to be loaned hereunder or otherwise, exceed the maximum amount permissible under applicable law. If from any circumstances whatsoever fulfillment of any provision of this Note or of any other document evidencing, securing or pertaining to the indebtedness evidenced hereby, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstances Holder shall ever receive anything of value as interest or deemed interest by applicable law under this Note or any other document evidencing, securing or pertaining to the indebtedness evidenced hereby or otherwise an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under this Note or on account of any other indebtedness of Maker to Holder relating to this Note, and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal of this Note and such other indebtedness, such excess shall be refunded to Maker. The terms and provisions of this section shall control and supersede every other conflicting provision of all agreements between Maker and Holder.

14. Assignment. This Note may be assigned by the Holder. Each Maker, surety, endorser, and guarantor of this Note expressly agrees that the rights of any such assignee shall be those of a holder in due course.

15. Governing Law and Dispute Resolution. All claims, causes of action, liabilities, controversies, and disputes relating to the negotiation, formation, construction, interpretation, performance, or enforcement of this Note shall be governed by and construed in accordance with the Alabama law. At the option of Holder, jurisdiction and venue for any and all claims, causes of action, liabilities, controversies, and disputes between any Holder, Maker, surety, endorser, and guarantor of this Note shall be proper only in a federal court located in Alabama, or a State Court located in Alabama. Each Maker,

surety, endorser, and guarantor of this Note hereby consent to the exercise of in personam jurisdiction by any federal court located in Alabama, and any State Court located in Alabama.

IN WITNESS WHEREOF, Maker has executed this Promissory Note specifically intending this Promissory Note to constitute an instrument under seal and Holder has acknowledged same.

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

IN WITNESS WHEREOF, each Maker has signed this Note under seal effective as of the _____ day of _____.

MAKER(S):

_____	_____
_____	_____
Print Name	Print Name
Address:	Address:
_____	_____
_____	_____

EXHIBIT B

FINANCIAL STATEMENTS

The Knight School Franchising, LLC

Independent Auditor's Report
And
Financial Statements
December 31, 2025 and 2024

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Metwally CPA PLLC

CERTIFIED PUBLIC ACCOUNTANT

3535 FIREWHEEL DR, STE D120, Flower Mound, Texas 75028

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

Independent Auditor's Report

To the Members of
The Knight School Franchising, LLC

Opinion

We have audited the accompanying financial statements of The Knight School Franchising, LLC (the Company), which comprise the balance sheets as of December 31, 2025 and 2024 and the related statements of operations, members' equity, and cash flows for the year ended December 31, 2025 and the period from April 18, 2024 to December 31, 2024 and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024 and the results of its operations and its cash flows for the year ended December 31, 2025 and the period from April 18, 2024 to December 31, 2024 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 the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis Matter

As discussed in note 5 to the financial statements, the Company has extensive transactions and relationships with its affiliates. Accordingly, the accompanying financial statements may not be indicative of the results of operations that would have been achieved if the Company had operated without such affiliations. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement

when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

Metwally CPA PLLC

Metwally CPA PLLC
Flower Mound, Texas
March 31, 2026

The Knight School Franchising, LLC
Balance Sheets
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalent	$ 51,676	$ 51,025
Accounts receivable	246,500	20,000
Total Current Assets	**298,176**	**71,025**
Total Assets	**$ 298,176**	**$ 71,025**
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Deferred revenue, current portion	$ 45,640	$ 6,900
Total Current Liabilities	**45,640**	**6,900**
Long-Term Liabilities		
Deferred revenue, net of current portion	154,496	13,600
Total Long-Term Liabilities	**154,496**	**13,599**
Total Liabilities	**200,136**	**20,500**
Members' Equity		
Members' equity	98,040	50,525
Total Members' Equity	**98,040**	**50,525**
Total Liabilities and Members' Equity	**$ 298,176**	**$ 71,025**

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

The Knight School Franchising, LLC
Statements of Operations
Year Ended December 31, 2025 and Period from April 18, 2024 to December 31, 2024

	2025	2024
Revenues		
Royalties	$ 627,739	$ -
Initial franchise fees	125,864	-
Other income	32,680	-
Total Revenues	**786,283**	-
Operating Expenses		
Management fees - related party	120,000	4,000
Legal and professional	34,851	36,470
General and administrative	8,181	3,744
Total Operating Expenses	**163,032**	**44,214**
Net Income (Loss)	**$ 623,251**	**$ (44,214)**

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

The Knight School Franchising, LLC
Statements of Members' Equity
Year Ended December 31, 2025 and Period from April 18, 2024 to December 31, 2024

Members' Equity At April 18, 2024	**$ -**
Net income (loss)	(44,214)
Member's contribution	251,000
Member's distribution	(156,262)
Members' Equity At December 31, 2024	**$ 50,524**
Net income (loss)	623,251
Member's contribution	134,925
Member's distribution	(710,660)
Members' Equity At December 31, 2025	**$ 98,040**

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

The Knight School Franchising, LLC

Statements of Cash Flows

Year Ended December 31, 2025 and Period from April 18, 2024 to December 31, 2024

	2025	2024
Cash Flows From Operating Activities		
Net income / (loss)	$ 623,251	$ (44,214)
Adjustments to reconcile net income to net cash provided by operating activities:		
Change in assets and liabilities		
Accounts receivable	(226,500)	(20,000)
Deferred revenue	179,635	20,500
Net cash provided (used) from operating activities	**576,386**	**(43,713)**
Cash Flows From Investing Activities		
Net Cash Flows Provided By (Used In) Investing Activities	-	-
Cash Flows From Financing Activities		
Member's contribution	134,925	251,000
Member's distribution	(710,660)	(156,262)
Net Cash Flows Provided By (Used In) Financing Activities	**(575,735)**	**94,738**
Net Change In Cash And Cash Equivalents During The Year	**651**	**51,025**
Cash and cash equivalents - beginning of the year	51,025	-
Cash And Cash Equivalents - End of The Year	**$ 51,676**	**$ 51,025**

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

The Knight School Franchising, LLC
Notes To Financial Statements
December 31, 2025 and 2024

1. COMPANY AND NATURE OF OPERATIONS

The Knight School Franchising, LLC (the Company) was established in the state of Alabama as a limited liability Company on April 18, 2024, for the purpose of offering franchises. The Company offers qualified individuals the right to operate a chess business using the Company's trademark "The Knight School" and system of operations in the United States. The Company is also responsible for providing marketing and branding services on behalf of the franchisees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Accounting

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

B. Cash and Cash Equivalents

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

C. Accounts Receivable

Accounts Receivable arise primarily from franchise fees and are carried at their estimated collectible amounts, net of any estimated allowances for credit losses. The measurement and recognition of credit losses involves the use of judgement. The management's assessment of expected credit losses includes consideration of current and expected economic conditions, market and industry factors affecting the Company's customers (including their financial condition), the aging of account balances, historical credit loss experience, customer concentration, and customer creditworthiness. Management evaluates its experience with historical losses and then applies this historical loss ratio to financial assets with similar characteristics. The Company's historical loss ratio or its determination of risk pools may be adjusted for changes in customer, economy, market, or other circumstances. The Company may also establish an allowance for credit losses for specific receivables when it is probable that the receivable will not be collected, and the loss can be reasonably estimated. Amounts are written off against the allowance when they are considered to be uncollectible, and reversal of previously reserved amounts are recognized if a specifically reserved item is settled for an amount exceeding the previous estimate.

As of December 31, 2025 and 2024 the allowance for credit losses is considered immaterial and accordingly, no allowance for credit losses has been recorded.

D. Advertising and Marketing

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

E. Revenue Recognition

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

Franchise Fees

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

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

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

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

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

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

The second, access to the franchise license, has been determined to be distinct. The amount allocated to the franchise license is earned over time as performance obligations are satisfied due to the continuous transfer of control to the franchisee. Franchise and development fees are paid in advance of the franchise opening, typically when entering into a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically 5 years while successive agreement terms are typically 5 years.

Variable Considerations

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

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

F. Federal Income Taxes

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

G. Use of Estimates

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

H. Concentration of Credit Risk

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

I. Reclassifications

Certain reclassifications have been made to the 2024 financial statements in order to conform to the 2025 presentation. There were no changes to previously reported members' equity or net income as a result of the reclassifications.

J. Recent Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurements of Credit Losses on Financial Instruments. ASU 2016-13, along with subsequent clarifications and improvements (collectively, ASC 326), replaces the incurred loss impairment methodology in prior U.S. GAAP with a methodology that instead reflects a current estimate of all expected credit losses on financial assets, including receivables. ASC 326 requires that the Company measure and recognize expected credit losses at the time the asset is recorded, while considering a broader range of information to estimate credit losses including country specific macroeconomic conditions that correlate with historical loss experience, delinquency trends, and aging behavior of receivables, among others. ASC 326 is effective for the Company beginning January 1, 2023. There was no impact on the Company's financial statements as a result of the implementation of this standard.

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

3. CASH AND CASH EQUIVALENTS

The Company maintains its cash balance in U.S. noninterest-bearing transaction accounts, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. On December 31, 2025 and 2024, the Company's cash balance did not exceed the FDIC insurance limit. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

The Company considers all cash in the bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents. As of December 31, 2025 and 2024 the Company had approximately $51,676 and $51,025, respectively, in cash in its bank accounts.

4. ACCOUNTS RECEIVABLE

As of December 31, 2025 and 2024, accounts receivable consisted of the following:

	2025	2024
Initial franchise fees receivable	$ 246,500	$ 20,000
	$ 246,500	**$ 20,000**

5. RELATED PARTY TRANSACTIONS

The Company shares common ownership with The Knight School America, LLC (TKSA). TKSA performs certain operational and administrative functions on behalf of the Company, including the collection of revenues and payment of operating expenses. As a result, substantially all revenues and expenses of the Company are processed through TKSA. The Company records these transactions through a related party payable/receivable account with TKSA. Amounts recorded represent reimbursements for revenues collected and expenses paid on behalf of the Company. The related party balance is reconciled and settled on a monthly basis, with no outstanding balance at period end.

During the year ended December 31, 2025 and the period from April 18, 2024 to December 31, 2024, the Company paid $120,000 and $4,000 in management fees to this related party, respectively.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

Information regarding revenues disaggregated by the timing of when goods and services are transferred consist of the following for the year ended December 31, 2025 and the period from April 18, 2024 to December 31, 2024:

	2025	2024
Revenue recognized over time	$ 125,864	$ -
Revenue recognized at point of time	660,419	-
Total Revenue	**$ 786,283**	**$ -**

The following table provides information about the change in the franchise contract liability balances during the year ended December 31, 2025 and the period from April 18, 2024 to December 31, 2024, respectively. Franchise contract liability is included in deferred revenue on the accompanying balance sheets.

	2025	2024
Beginning balance	$ 20,500	$ -
Additional deferred revenue	305,500	20,500
Revenue recognized – additional deferred revenue	(125,864)	-
Deferred revenue	**200,136**	**20,500**
Less: current maturities	(45,640)	(6,900)
Deferred revenue, net of current maturities	**$ 154,496**	**$ 13,600**

7. ADVERTISING EXPENSES

Advertising costs for the year ended December 31, 2025 and the period from April 18, 2024 to December 31, 2024, were $5,388 and $2,392, respectively. These costs were expensed as incurred.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 31, 2026, which is the date the financial statements were available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.

The Knight School Franchising, LLC

Independent Auditor's Report
And
Financial Statements

Period from April 18, 2024 (Inception) to December 31, 2024

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Metwally CPA PLLC
CERTIFIED PUBLIC ACCOUNTANT
1312 Norwood Dr STE 100, Bedford, Texas 76022
Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report

To the members of
The Knight School Franchising, LLC

Opinion

We have audited the accompanying financial statements of The Knight School Franchising, LLC (the Company), which comprise the balance sheet as of December 31, 2024 and the related statements of operations, members' equity, and cash flows for period from April 18, 2024 to December 31, 2024 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 Knight School Franchising, LLC as of December 31, 2024 and the results of its operations and its cash flows for period from April 18, 2024 to December 31, 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Knight School Franchising, LLC'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 are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Metwally CPA PLLC

Metwally CPA PLLC
Bedford, Texas
February 07, 2025

The Knight School Franchising, LLC
Balance Sheet
December 31, 2024

	2024
ASSETS	
Current Assets	
Cash and cash equivalents	$ 51,025
Accounts receivable	20,000
Total Current Assets	**71,025**
Total Assets	**$ 71,025**
LIABILITIES AND MEMBER'S EQUITY	
Current Liabilities	
Deferred revenue, current portion	$ 6,900
Total Current Liabilities	**6,900**
Long-Term Liabilities	
Deferred revenue, net of current portion	13,600
Total Long-Term Liabilities	**13,600**
Total Liabilities	**20,500**
Member's Equity	
Member's equity	50,525
Total Member's Equity	**50,525**
Total Liabilities and Member's Equity	**$ 71,025**

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

The Knight School Franchising, LLC
Statement of Operations
Period from April 18, 2024 to December 31, 2024

	2024
Revenues	-
Total Revenues	$ -
Operating Expenses	
Legal and professional	36,470
Management fees - related party	4,000
Advertising and marketing	2,392
General and administrative	1,351
Total Operating Expenses	**44,213**
Net Income / (Loss)	**$ (44,213)**

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

The Knight School Franchising, LLC
Statement of Member's Equity
Period from April 18, 2024 to December 31, 2024

Members' Equity At April 18, 2024	$ -
Net income / (loss)	(44,213)
Member's contribution	251,000
Member's distribution	(156,262)
Members' Equity At December 31, 2024	**$ 50,525**

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

The Knight School Franchising, LLC
Statement of Cash Flows
Period from April 18, 2024 to December 31, 2024

	2024
Cash Flows From Operating Activities	
Net income / (loss)	$ (44,213)
Adjustments to reconcile net income to net cash	
Provided by operating activities	
Change in assets and liabilities	
Accounts receivable	(20,000)
Deferred revenue	20,500
Net Cash Provided By (Used In) Operating Activities	**(43,713)**
Cash Flows From Investing Activities	
Net Cash Flows Provided By (Used In) Investing Activities	-
Cash Flows From Financing Activities	
Member's contribution	251,000
Member's distribution	(156,262)
Net Cash Flows Provided By (Used In) Financing Activities	**94,738**
Net Change In Cash And Cash Equivalent During The Period	**51,025**
Cash and cash equivalents - beginning of the period	-
Cash And Cash Equivalent - End of The Period	**$ 51,025**

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

The Knight School Franchising, LLC
Notes to Financial Statements
December 31, 2024

1. COMPANY AND DESCRIPTION OF BUSINESS

The Knight School Franchising, LLC (the Company) was established in the state of Alabama as a limited liability Company on April 18, 2024, for the purpose of offering franchises. The Company offers qualified individuals the right to operate a chess business using the Company's trademark "The Knight School" and system of operations in the United States. The Company is also responsible for providing marketing and branding services on behalf of the franchisees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Accounting

The financial statements were prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP").

B. Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

C. Accounts Receivable

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

D. Federal Income Taxes

As a limited liability company, the Company's taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision for income taxes has been included in the financial statements.

E. Concentration of Credit Risk

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

F. Use of Estimates

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

G. Revenue Recognition

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

Franchise Fees

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

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

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

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

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

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

The second, access to the franchise license, has been determined to be distinct. The amount allocated to the franchise license is earned over time as performance obligations are satisfied due to the continuous transfer of control to the franchisee. Franchise and development fees are paid in advance of the franchise opening, typically when entering into a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a

straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically 5 years while successive agreement terms are typically 5 years.

Variable Considerations

Franchise agreements contain variable considerations in the form of royalty fees and brand development (advertising). These fees are based on franchisee sales and are recorded as revenue and recognized as these services are delivered because the variable payment relates specifically to the performance obligation of using the license.

Contracts Assets and Liabilities Balances

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

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

The Company had one franchise sale during this period which was deferred and will recognize its revenue based on the above policy.

A. Advertising and Marketing

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

H. Recent Accounting Pronouncements

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

3. CASH AND CASH EQUIVALENTS

The Company maintains its cash balance in U.S. noninterest-bearing transaction accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. On December 31, 2024, the Company's cash balance didn't exceed the FDIC insurance limits.

The Company considers all cash in the bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents. As of December 31, 2024, the Company has approximately $51,025 in cash in their operating bank account.

4. ACCOUNTS RECEIVABLE

At the period ended December 31, 2024, accounts receivable consisted of the following:

	2024
Initial franchise fees receivable	$ 20,000
Accounts receivable	**$ 20,000**

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

The following table provides information about the change in the franchise contract liability balances as of December 31, 2024. Franchise contract liability is included in deferred revenue on the accompanying balance sheets.

	2024
Beginning balance	$ -
Additional deferred revenue	20,500
Revenue recognized – additional deferred revenue	-
Deferred revenue	**20,500**
Less: current maturities	(6,900)
Deferred revenue, net of current maturities	**$ 13,600**

6. RELATED PARTY TRANSACTIONS

The Company shares common ownership with The Knight School America, LLC. During the period from April 18, 2024 to December 31, 2024, the Company paid $4,000 in management fees to this related party.

7. ADVERTISING EXPENSES

Advertising costs for the period from April 18, 2024 to December 31, 2024 were $2,392. These costs were expensed as incurred.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 07, 2025 which is the date the financial statements was available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in the financial statements.

THE KNIGHT SCHOOL FRANCHISING, LLC

BALANCE SHEET ONLY – AUDIT

As of April 30, 2024

JEBRAN & ABRAHAM, PC
Certified Public Accountants and Business Consultants

THE KNIGHT SCHOOL FRANCHISING, LLC
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As of April 30, 2024

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INDEPENDENT AUDITORS' REPORT

The Members
The Knight School Franchising, LLC
Birmingham, AL

Opinion

We have audited the accompanying balance sheet of The Knight School Franchising, LLC as of April 30, 2024 and the related notes to the balance sheet.

In our opinion, the balance sheet referred to above present fairly, in all material respects, the financial position of The Knight School Franchising, LLC as of April 30, 2024, 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 Balance Sheet section of our report. We are required to be independent of The Knight School Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Balance Sheet

Management is responsible for the preparation and fair presentation of the balance sheet 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 the balance sheet that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Balance Sheet

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

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 balance sheet, 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 balance sheet.

- 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 Knight School Franchising, LLC'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 balance sheet.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Knight School Franchising, LLC'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.

Jebran & Abraham, P.C.
New Britain, Pennsylvania
July 12, 2024

THE KNIGHT SCHOOL FRANCHISING, LLC
BALANCE SHEET
AS OF APRIL 30, 2024

	2024
ASSETS	
Current Assets	
Cash	$ 51,000
Total Assets	$ 51,000
LIABLILITIES	
Current Liabilities	$ -
Total Current Liabilities	-
Total Liabilities	-
MEMBER'S EQUITY	
Member's Equity	51,000
Total Member's Equity	51,000
Total Liabilities and Member's Equity	$ 51,000

The accompanying notes are an integral part of the balance sheet.

THE KNIGHT SCHOOL FRANCHISING, LLC
NOTES TO THE BALANCE SHEET

1. Nature of Organization

The Knight School Franchising, LLC (the "Company"), was organized on April 18, 2024 under the laws of the State of Alabama. Located in Birmingham, Alabama, the Company sells Knight School franchise license agreements to the public sector in the United States. The Company is also responsible for providing marketing and branding services on behalf of the franchisees.

2. Date of Management's Review

Management has evaluated subsequent events through July 12, 2024, the date on which the balance sheet was available to be issued.

3. Summary of Significant Accounting Policies

Use of Estimates

The preparation of the balance sheet in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet and the reported amounts of revenues and expense during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers cash equivalents to be those short-term investments with original maturities on three months or less at date of acquisition.

Income taxes

The members of The Knight School Franchising, LLC have elected to have the company taxed as a partnership for Federal and state income tax purposes. The election to be taxed as a partnership relieves the company of the obligation to pay Federal and State income taxes. The members bear the liability for payment of Federal and State income taxes on the pass-through income of the Company on their personal income tax returns.

EXHIBIT C

LIST OF FRANCHISEES

Alabama:

Birmingham, Alabama* (CO)
David Brooks, PhD
dbrooksphd@theknightschool.com
(205) 332-5233
2612 Vestavia Forest Terrace
Birmingham, AL 35216

Huntsville, Alabama (L2F)
Daniel and Jessica Perez
daniel@theknightschool.com
(256) 614-9068
4208 Toftoy Drive SW
Huntsville, AL 35805

California:

Santa Monica, California (F) (*signed Franchise Agreement, but not opened)*
Lauren Gault
lauren@theknightschool.com
(213) 340-4687
1112 11th Street, #8
Santa Monica, CA 90403

Colorado:

Denver, Colorado (L2F)
Caleb Brasher
caleb@theknightschool.com
(334) 369-9279
7883 Red Fox Drive
Evergreen, CO 80439

Florida:

Jacksonville, Florida (L2F)
REB Phillips
reb@theknightschool.com
(904) 514-0569
109 Ferrol Road
St Augustine, FL 32084

Tampa, Florida (F) (*signed Franchise Agreement, but not opened)*
Aaron Graham
aaron@theknightschool.com
(205) 394-5964
7901 4th St. N STE 300 St.
Petersburg, Pinellas County, FL 33702

Georgia:

Atlanta (North), Georgia (L2F)
Davis Talley
davis@theknightschool.com
(205) 527-6877

Dalton, Georgia* (L2F) (*Signed 1 Agreement and operates in 2 states*)
(including Greater Chattanooga, TN)
Josh Tucker
josh@theknightschool.com
(256) 777-8537
Chattanooga, Georgia/Tennessee
5610 Shady Branch Drive
Chattanooga, TN 37415

Kansas:

Kansas City, Kansas* (L) (*Signed 1 License and operates in 2 states*)
Brian Harris
brian@theknightschool.com
(785) 341-6590
3620 Harvard Road
Lawrence, KS 66049-3306

Kentucky:

Louisville, Kentucky (L2F)
Nathan Ash
nathan@theknightschool.com
(630) 338-9409
2716 Brownsboro Road, Apt. 3
Louisville, KY 40206

Maryland:

Silver Springs, Maryland* (F) (*Signed 1 Agreement and operates in 3 states*)
Olivia Brooks
liv@theknightschool.com
(205) 937-1558
2706 Lindell St.
Silver Spring, MD 20902

Missouri:

Kansas City, Missouri* (L) (*Signed 1 License and operates in 2 states*)
Brian Harris
brian@theknightschool.com
(785) 341-6590
3620 Harvard Road
Lawrence, KS 66049-3306

Nevada:

Las Vegas, Nevada* (L2F) (*Signed 1 Agreement and operates in 2 states*)
Kenneth Chapman
ken@theknightschool.com
(361) 425-1350
4973 Miners Ridge Drive
Henderson, NV 89122

New Jersey:

Camden, New Jersey* (L) (*Signed 1 License and operates in 2 states*)
(including portions of Philadelphia, PA metro area)
Luqman El-Amin
luke@theknightschool.com
(586) 256-8895
352 Chanticleer
Cherry Hill, NJ 08003

Camden and Trenton, New Jersey* (L2F) (*Signed 1 Agreement and operates in 2 states*)
Susannah, Jonathan, and Sierra Barclay
sierra@theknightschool.com
(405) 406-2189
429 Prince St.
Bordentown, NJ 08505

North Carolina:

Charlotte, North Carolina* (L) (*Signed 1 License and operates in 2 states*)
Nadia Jackson
nadia@theknightschool.com
(980) 585-8829
10632 Ebony Tress Lane
Charlotte, NC 28227

Raleigh, North Carolina (L2F)
William Oliver
woliver@theknightschool.com
(502) 931-6136
451 McAdoo Ave., #11
Greensboro, NC 27406

Ohio:

Cleveland, Ohio (L)
Ben Rowan
ben@theknightschool.com
(440) 915-1614
4039 Queensbury Circle
Stow, OH 44224

Oklahoma:

Oklahoma City, Oklahoma (F) (*signed Franchise Agreement, but not opened)*
Brian Neal
brian@theknightschool.com
(979) 778-0321
2701 Arbor Drive
Bryan, TX 77802

Oregon:

Portland, Oregon (L2F)
Justin Jones
jjones@theknightschool.com
(205) 572-5128
2130 N Kilpatrick St.
Portland, OR 97217-6819

Pennsylvania:

Allentown, Pennsylvania (L)
Nicole Miles
nicole@theknightschool.com
(484) 602-5504
4470 Jamestown Ct.
Allentown, PA 18104

Pittsburgh, Pennsylvania (L)
Jack Ohliger
jack@theknightschool.com
(412) 909-5998
37 Selwyn St., Apt. C
Strabane, PA 15363

Philadelphia, Pennsylvania* (L) (*Signed 1 License and operates in 2 states*)
Luqman El-Amin
luke@theknightschool.com
(586) 256-8895
352 Chanticleer
Cherry Hill, NJ 08003

Pennsylvania (continued):

Lansdale, Pennsylvania* (L2F) (*Signed 1 Agreement and operates in 2 states*)
(including portions of Trenton, NJ metro area)
Susannah, Jonathan, and Sierra Barclay
jon@theknightschool.com
(405) 406-2189
429 Prince St.
Bordentown, NJ 08505

South Carolina:

Charleston, South Carolina (F) (*signed Franchise Agreement, but not opened*)
Todd and Margaux Radano
todd@theknightschool.com
(202) 763-9916
315 Hidden Bottom Lane
Daniel Island, SC 29492

Rock Hill, South Carolina* (L) (*Signed 1 License and operates in 2 states*)
(including portions of Charlotte, NC metro area)
Nadia Jackson
nadia@theknightschool.com
(980) 585-8829
10632 Ebony Tress Lane
Charlotte, NC 28227

Tennessee:

Chattanooga, Tennessee* (L2F) (*Signed 1 Agreement and operates in 2 states*)
Josh Tucker
josh@theknightschool.com
(256) 777-8537
5610 Shady Branch Drive
Chattanooga, TN 37415

Knoxville, Tennessee (F)
Hollis Shaffer
hollis@theknightschool.com
(205) 615-0678
9800 Lakeland View Way, Unit 205
Knoxville, TN 37922

Nashville, Tennessee (L2F)
Jack Robison
jack.robison@theknightschool.com
(720) 644-7378
320 Old Hickory Blvd., Apt. 2602
Nashville, TN 37221

Texas:

Austin (North), Texas (L2F)
Salvatore and Samantha Pellittieri
sal@theknightschool.com
(985) 351-5524
705 Arrowood Place
Round Rock, TX 78665

Austin (South), Texas (L2F)
Ed Fay
ed@theknightschool.com
(512) 730-1399
3301 Woodbriar Lane
Austin, TX 78723

Dallas, Texas (L2F)
De Laurene Burnes
delaurence@theknightschool.com
(205) 541-2729
5720 Milton Street, Unit# 159
Dallas, TX 75206

Fort Worth (North), Texas (L2F)
Jeff O'Shaugnessy
jeff@theknightschool.com
(205) 215-3272
8128 Heron Drive
Fort Worth, TX 76108

Fort Worth (South), Texas (L2F)
Hampton Howard
hampton@theknightschool.com
(940) 550-5130
4404 PepperBush Dr.
Fort Worth, TX 76137

Houston (East), Texas (F)
Shayna Smith
shayna@theknightschool.com
(832) 262-8430
110 Lazy Lane
Baytown, TX 77520

Houston (North), Texas (L2F)
Justin and Kara Polk
justin@theknightschool.com
(713) 489-8830
1614 Heather Springs Ln.
League City, TX 77573

Texas (continued):

Houston (South), Texas (L2F)
Lisa and Mark McMahan
lisa@theknightschool.com
(281) 450-0143
1809 Streamside Dr.
Friendswood, TX 77546

San Antonio, Texas (L2F)
Bria Druilhet
bria@theknightschool.com
(210) 239-3052
23142 US HWY 281 N., Apt. 6307
San Antonio, TX 78258

Utah:

St. George, Utah* (L2F) (*Signed 1 Agreement and operates in 2 states*)
Kenneth Chapman
ken@theknightschool.com
(361) 425-1350
4973 Miners Ridge Drive
Henderson, NV 89122

Virginia:

Richmond, Virginia (F) (*signed Franchise Agreement, but not opened*)
Leo and Molly Salinas
leo@theknightschool.com
(804) 614-6807
1900 Willow Cove Cir.
Henrico, VA 23238

Washington, D.C.:

Washington, D.C. (South)* (CO)
David Brooks, PhD
dbrooksphd@theknightschool.com
(205) 332-5233
2612 Vestavia Forest Terrace
Birmingham, AL 35216

Washington, D.C. (North)* (F) (*Signed 1 Agreement and operates in 3 states*)
Olivia Brooks
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(205) 937-1558
2706 Lindell St.
Silver Spring, MD 20902

West Virginia:

Martinsburg, WV* (F) (*Signed 1 Agreement and operates in 3 states*)
Olivia Brooks*
liv@theknightschool.com
(205) 937-1558
2706 Lindell St.
Silver Spring, MD 20902

***These licensees operate in multiple states under one license agreement.**

CO: designates Company-Owned Location.
L: designates entities that are currently operating as a licensee of our Affiliate operating franchises similar to the ones offered under this Disclosure Document.
L2F: designates entities that used to be licensees of our Affiliate that converted to Franchisees of The Knight School Franchising.
F: designates entities that signed as Franchisees.

EXHIBIT D

LIST OF FORMER FRANCHISEES*

None

Licensees of our Affiliate operating franchises similar to the ones offered under this Disclosure Document who left the Knight School system or have not communicated with us in the last 10 weeks. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT E

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EXHIBIT F

LIST OF STATE ADMINISTRATORS

California California Department of Financial Protection and Innovation 320 West 4th St., Suite 750 Los Angeles, CA 90013-2344 (213) 736-2741 Toll Free: 1-866-275-2677	**Michigan** Consumer Protection Division Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117	**South Dakota** Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, SD 57501
Connecticut Department of Banking, Securities Investment Division 260 Constitution Plaza Hartford, CT 06103	**Minnesota** Minnesota Dept. of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-3165 (651) 296-4026	**Texas** Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887
Florida Florida Department of Agriculture And Consumer Services 407 S. Calhoun Street Tallahassee, FL 32399-6700	**New York** New York Department of Law, Investor Protection and Securities 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236	**Utah** Department of Commerce 160 East 300 South SM Box 146704 Salt Lake City, UT 84114-6704
Hawaii Business Registration Div. Dept. of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**Nebraska** Department of Banking and Finance 1230 "0" Street Suite 400 PD. Box 95006 Lincoln, NE 68509-5009	**Virginia** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051
Illinois Chief, Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62707 (217) 782-4465	**North Dakota** North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept. 401 Bismarck, North Dakota 58505 (701) 328-2910	**Washington** Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (106) 753-6928
Indiana Deputy Commissioner, Franchise Division Indiana Securities Commission Secretary of State 302 W. Washington St, Room E-111 Indianapolis, IN 46204 (317) 232-6681	**Oregon** Department of Insurance & Finance Corporate Securities and Franchise Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	**Wisconsin** Securities and Franchise Registration Wisconsin Securities Commission P.O. Box 1768 Madison, WI 53701 (608) 266-8559
Maryland Office of the Attorney General, Securities Division, 200 St. Paul Place, Baltimore, MD 21202-2020 (410) 576-6360	**Rhode Island** Chief Securities Examiner Department of Business Regulation Securities Division Franchise Section 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 277-3048	

EXHIBIT G

LIST OF AGENTS FOR SERVICE OF PROCESS

CALIFORNIA California Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500	**MARYLAND** Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**RHODE ISLAND** Director of Depart. of Business Regulation Suite 232 233 Richmond Street Providence, Rhode Island 02903-4232 (401) 277-3048
CONNECTICUT Connecticut Department of Banking, Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 06103	**MICHIGAN** Dept. of Commerce, Corp'ns & Securities Bur. 6546 Mercantile Way P.O. Box 30222 Lansing, Michigan 48910 (517) 373-7117	**SOUTH DAKOTA** Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, SD 57501
HAWAII Comm'r Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**MINNESOTA** Commissioner of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101 (612) 296-4026	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9733
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**NEW YORK** New York Secretary of State 99 Washington Avenue Albany, New York 12231	**WASHINGTON** Director of Depart. of Financial Institutions General Administration Building -Securities Division – 3[14] Floor 150 Israel Road, S. W. Tumwater, Washington 98501 (360) 902-8760
INDIANA Indiana Secretary of State 201 State House Indianapolis, Indiana 46204 (317) 232-6681	**NORTH DAKOTA** North Dakota Insurance Commissioner 600 East Boulevard Avenue, Dept. 401 Bismarck, North Dakota 58505 (701) 328-2910	**WISCONSIN** Commissioner of Securities 345 West Washington Avenue Fourth Floor Madison, Wisconsin 53703 (608) 261-9555

EXHIBIT H

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

Do not sign this Statement of Prospective Franchisee Questionnaire if you are a resident of Maryland or the business it to be operated in Maryland. This Exhibit H does not apply to Maryland franchisees.

This Questionnaire does not apply to franchises who intend to operate the franchised business in the State of California.

You are preparing to enter into a franchise agreement (the "Franchise Agreement") for the establishment and operation of a Knight School franchised unit (the "Franchised Business") with The Knight School Franchising, LLC (the "Franchisor"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor ("Broker") that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. Franchisor, through the use of this document, desires to ascertain that (a) the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes ☐ No_____

2. I had my first face-to-face meeting with a Franchisor representative on _____, 20___.

3. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes ☐ No_____

4. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes ☐ No_____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

_____N/A_____

_____

_____

_____

_____

5. Have you received and personally reviewed the Franchisor's Disclosure Document that

was provided to you?

Yes ☐ No_____

6. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes ☐ No_____

7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes ☐ No_____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

____N/A_____
_____
_____
_____
_____

8. Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes ☐ No_____

If No, do you wish to have more time to do so?

Yes_____ No_____

9. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes ☐ No_____

10. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Business operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes_____ No ☐

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the Franchised Business that is contrary, different from or in addition to the information contained in the Disclosure Document?

Yes_____ No ☐

12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary, different from or in addition to the information contained in the Disclosure Document?

Yes_____ No ☐

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made

any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary, different from or in addition to the information contained in the Disclosure Document?

Yes_____ No ☐

14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes_____ No ☐

15. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or Franchise Agreement?

Yes_____ No ☐

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this Franchised Business prior to today?

Yes_____ No ☐

17. Have you paid any money to the Franchisor concerning the purchase of this Franchised Business prior to today?

Yes_____ No ☐

18. Have you spoken to any other franchisee(s) of this system before deciding to purchase this Franchised Business? If so, who? _____

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank.

_____
_____
_____
_____
_____

I signed the Franchise Agreement and Addendum (if any) on _____, 20___ and acknowledge that neither the Franchise Agreement nor the Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the Franchised Business subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the Franchised Business. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None".

_____None_____
_____

C. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other antiterrorism measures (the "Anti-Terrorism Measures"). Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

(i) a person or entity listed in the Annex to the Executive Order;

(ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;

(iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

(iv) owned or controlled by terrorists or sponsors of terrorism.

D. You acknowledge that:

(i) any statements regarding the potential or probable revenues, sales or profits of the Franchised Business are made solely in the Disclosure Document delivered to you prior to signing the Franchise Agreement;

(ii) any statement regarding the potential or probable revenues, sales or profits of the business venture or statistical information regarding any existing Franchised Business that is not contained in our Disclosure Document is unauthorized, unwarranted and unreliable and should be reported to us immediately;

(iii) any information you obtained from our Brokers, employees and authorized representatives relating to revenues, sales, profits or otherwise does not constitute information obtained from us and we do not warrant or guaranty the accuracy of any such information; and

(iv) you have not received or relied on any representations about the Franchised Business made by us, or our officers, directors, employees or agents that are contrary to the statements made in our Disclosure Document or to the terms of the Franchise Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Acknowledgement Statement effective as of the date of the Franchise Agreement.

Name of Franchisee

BY:_____

Name:_____

EXHIBIT I

STATE ADDENDA TO DISCLOSURE DOCUMENT

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE CALIFORNIA FRANCHISE INVESTMENT LAW

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Franchise Disclosure Document.

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

3. Item 3 of the Disclosure Document is amended to provide that:

> "neither the franchisor, nor any person 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. § 78(a) et seq., suspending or expelling such persons from membership in that association or exchange."

4. 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.).

5. 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.

6. The Franchise Agreement requires binding arbitration. The arbitration will occur in Alabama with the costs of the arbitrators' fees and the fees payable to the American Arbitration Association being borne jointly by you and us but you must pay your own legal fees, legal expenses, transportation, and travel accommodations.

7. Prospective franchisees are encourage 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 to a forum outside the State of California.

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

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

10. The earnings claims figure(s) does (do) not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses

you will incur in operating your (franchised business). Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

11. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

12. The highest rate of interest allowed in California is ten percent (10%) per annum.

13. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act.

14. 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.

15. The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE CONNECTICUT BUSINESS OPPORTUNITY INVESTMENT ACT

DISCLOSURES REQUIREMENT BY CONNECTICUT LAW

The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

Notwithstanding anything to the contrary in the disclosure document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Connecticut:

1. If the seller fails to deliver the products or supplies or fails to render the services necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

2. Item 2 of the Disclosure Document is amended to provide that each seller's current address is the address of The Knight School Franchising, LLC, 2612 Vestavia Forest Terrace, Birmingham, Alabama 35216.

3. 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.

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE HAWAII FRANCHISE INVESTMENT LAW

1. THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

2. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST FOURTEEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST FOURTEEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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

4. Registered agent in the state authorized to receive service of process:

Commissioner of Securities
Department of Commerce & Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii, 96813
(808) 586-2722

5. Item 3 of the Disclosure Document is amended to provide that:

> "neither the franchisor, nor any person in Item 2 of the Disclosure Document, has within the last 10 years, been 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. § 78(a) et seq., suspending or expelling such persons from membership in that association or exchange or is subject to any currently effective order or ruling of the Federal Trade Commission or is subject to any currently effective order relating to business activity as a result of an action brought by any public agency or department."

6. 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.

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE ILLINOIS FRANCHISE DISCLOSURE ACT

Notwithstanding anything to the contrary in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois:

1. Illinois law governs the Franchise Agreement.

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

3. Your rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE INDIANA FRANCHISE DECEPTIVE FRANCHISE PRACTICES ACT

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement, the other agreements or Alabama law if such provision are in conflict with Indiana law.

2. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, shall supersede the provisions of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

3. Item 12 and Section 2.3 of the Franchise Agreement are subject to Indiana Code § 23-2-2.7-1(2) and § 23-2-2.7-2(4) which prohibit us from competing unfairly with you within a reasonable area.

4. No release language set forth in the Disclosure Document or Franchise Agreement, including but not limited to Item 17 or Section 16 thereof, respectively, shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

5. Section 21.1 of the Franchise Agreement is amended to provide that such agreement will be construed in accordance with the laws of the State of Indiana.

6. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires you to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement issued in the State of Indiana.

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Maryland:

1. Item 5 is amended by adding the following at the end of the initial fee section:

"Based upon the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all Initial Fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement."

2. The following sentence is added to the end of the "Summary" section of Item 17(c) and Item 17(m):

"However, any general release required as a condition for our approval of a transfer, renewal, or assignment of your Franchise Agreement will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."

3. Item 17(v) and Item 17(w) are deleted and replaced by the following:

v. Choice of Forum	Section 20(b)	Birmingham, Alabama (except for claims arising under the Maryland Franchise Registration and Disclosure Law)
w. Choice of Law	Section 20(a)	Birmingham, Alabama except that you may bring a claim arising under the Maryland Franchise Registration and Disclosure Law in Maryland)

4. Item 17 is amended by adding the following at the end of the section:

"Despite any provision in the Franchise Agreement to the contrary, any claim arising under the Maryland Franchise Registration and Disclosure Law must be commenced within 3 years from the grant of the franchise."

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

FRANCHISOR:	FRANCHISEE:
The Knight School Franchising, LLC	
By: _____	By: _____
Name:	Name:
Title:	Title:
Date:	Date:

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE MICHIGAN FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of 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.

1. A prohibition on your right to join an association of franchisees.

2. A requirement that you assent to a release, assignment, novation, waiver or estoppel which deprives you of rights and protections provided in this Act. This shall not preclude you, after entering into a license agreement, from settling any and all claims.

3. A provision that permits us to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include your failure 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.

4. 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 license of your 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 applied only if (i) the term of the franchise is less than 5 years and (ii) you are prohibited by the license or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising of other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least 6 months advance notice of our intent not to renew the franchise.

5. 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.

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

7. A provision which permits 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 shall include, but is not limited to:

    a. The failure of the proposed transferee to meet our then current reasonable qualifications or standards.

    b. The fact that the proposed transferee is a competitor of us or sub-franchisor.

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

d. The failure of you or the proposed transferee to pay any sums we are owed or to cure any default in the license agreement existing at the time of the proposed transfer.

8. 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 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 the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if you have breached the lawful provisions of the license agreement and has failed to cure the breach in the manner provided in subdivision (c).

9. A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provisions has been made for providing the required contractual service.

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 525 W. OTTAWA STREET, 670 G. MENNAN WILLIAMS BLDG., LANSING, MICHIGAN 48933 (517) 272-7117.

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE MINNESOTA FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. The following language is added to Item 13 of the Disclosure Document and Section 11 of the Franchise Agreement:

> "The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee's use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim."

2. Item 17 of the Disclosure Document and Section 18 of the Franchise Agreement are amended as follows:

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

3. No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

4. Item 17 of the Disclosure Document is amended to add the following and the following language will appear at the end of Section 21 of any Franchise Agreement issued in the State of Minnesota:

> "Pursuant to Minnesota Statutes, Section 80C.21 and Minn. Rule Part 2860-4400J, this Section shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Minnesota Statutes Chapter 80C."

5. Item 17 of the Disclosure Document and Section 21 of the Franchise Agreement are amended as follows:

> "Nothing contained herein shall limited Franchisee's right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4407J."

6. 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.

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE NEW YORK FRANCHISE LAW

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of New York:

1. Item 3 "Litigation" is amended by adding the following:

Neither we nor any predecessor, any person identified in Item 2, or any affiliate offering franchises under our principal trademark:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

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

D. 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.

2. Item 17 "Termination" Section (d) is amended by adding the following at the end of the Summary section:

> "You may terminate the Franchise Agreement on any grounds available by law."

3. Item 17 "Assignment of Contract by Us" Section (j) is amended by adding the following at the end of the Summary section:

"However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement."

4. Item 17 "Choice of Law" Section (w) is amended by adding the following at the end of the Summary section:

   "The Alabama 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"

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE NORTH DAKOTA FRANCHISE LAW

Notwithstanding anything to the contrary in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of North Dakota:

1. Item 17(v) is deleted and is replaced by the following:

(v) Choice of Forum	Section 20(b)	North Dakota

2. Item 17(w) is amended by adding the following sentence in the Summary Section:

> "The laws of the state of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or Alabama law if such provisions are in conflict with North Dakota law."

3. North Dakota has determined that requiring a franchisee to sign a general release upon renewal of the franchise agreement is unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, all references to the Franchisee signing a general release upon renewal of the Franchise Agreement are deleted.

4. Summary column (r) in Item 17 of the Disclosure Document and Section 17.6 of the Franchise Agreement prohibit you from owning or being involved with a company or other business within the Service Area that offers services competitive with those offered, franchised or licensed by us for 2 years after termination or expiration of the Franchise Agreement. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. The Commissioner has held that covenants restricting competition are contrary to Section 9-08-06 of the North Dakota Century Code, and are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE RHODE ISLAND FRANCHISE DISCLOSURE ACT

1. Item 17(v) Summary section is amended to read:

> "We must litigate in the state and judicial district where we maintain our principal place of business except that to the extent required by applicable law, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act."

2. 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.

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE VIRGINIA RETAIL FRANCHISING ACT

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the Commonwealth of Virginia:

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended as follows:

The following statements are added to Item 17.h.

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

2. 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.

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE WASHINGTON FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary in the disclosure document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Washington.

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

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

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

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

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

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

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

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

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

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

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

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

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

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's

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

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

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

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

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

EXHIBIT J

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

Confidentiality and Non-Disclosure Agreement

This Confidentiality and Non-Disclosure Agreement (the "Agreement") entered into by and between The Knight School Franchising, LLC, located at 2612 Vestavia Forest Terrace, Birmingham, Alabama 35216 ("Knight School") and _____, located at _____ ("Receiving Party") for the purpose of preventing the unauthorized disclosure of Confidential Information as defined below. The parties agree to enter into a confidential relationship with respect to the disclosure of certain proprietary and confidential information.

WHEREAS, the Receiving Party is interested in evaluating a potential business relationship with the Knight School and, in connection therewith, desires to review certain confidential and proprietary information;

WHEREAS, Knight School owns certain confidential information and trade secrets; and, in order to induce Knight School to disclose such Confidential Information to Receiving Party, Knight School requires Receiving Party to execute this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of all of which I hereby acknowledge, I agree as follows:

1. **Definitions**. As used in this Agreement:

1.1 "Confidential Information" means all non-public, confidential, or proprietary information disclosed, in any form or medium, whether oral, written, graphic, electronic, or otherwise, by the Knight School to the Receiving Party. This includes, but is not limited to: financial statements, business plans, marketing strategies, training manuals, trade secrets, proprietary software, customer lists, supplier contracts, employee handbooks, real estate strategies, lease documents, and any document marked as confidential. The existence and terms of this Agreement shall also be deemed Confidential Information.

1.2 "Trade Secret" means information that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. Without limiting the definition of "Trade Secrets," all the following shall be conclusively presumed to be Trade Secrets whether or not Knight School designates them as such: (i) Knight School's strategies, methods, and procedures; (ii) sources of supply, vendors and distributors; and (iii) Knight School's advertising, marketing, and public relations strategies.

1.3 The terms "Confidential Information" and "Trade Secret" do not include, regardless of the means of disclosure: (i) information generally known to the trade or the public at the time Knight School disclose it to me; (ii) information that becomes known to the trade or the public after Knight School disclose it to me, unless it becomes known due to my breach of

this Agreement; or (iii) information I can prove was known to me at the time Knight School disclosed it to me.

2. **Protection of Confidential Information and Trade Secrets**. The Receiving Party agrees to: (a) hold all Confidential Information and Trade Secrets in strict confidence and take all reasonable precautions to protect such information (which shall not be less than those employed by the Receiving Party to protect its own confidential materials); (b) not disclose any Confidential Information or any information derived therefrom to any third party; (c) not use Confidential Information for any purpose other than to evaluate a potential franchise relationship; (d) only disclose such information to employees or agents on a need-to-know basis who are subject to confidentiality obligations at least as protective as those contained herein; and (e) notify the Knight School promptly upon discovery of any unauthorized use or disclosure.

3. **Duration and Survival**. This Agreement shall commence on the Effective Date and remain in effect for a period of two (2) years. All confidentiality obligations hereunder shall survive termination or expiration of this Agreement for an additional period of two (2) years. Any Confidential Information and Trade Secrets disclosed during the term of this Agreement shall remain protected until the end of the survival period.

4. **Return or Destruction of Materials.** Upon request by the Knight School or termination of this Agreement, the Receiving Party shall immediately return or destroy all materials containing or derived from Confidential Information or Trade Secrets, and certify in writing that it has done so. Any materials stored electronically must be permanently deleted using commercially reasonable methods.

5. **No License or Transfer of Rights.** Nothing in this Agreement shall be construed as granting any rights to the Receiving Party, by license or otherwise, to any of the Knight School's intellectual property, trademarks, copyrights, patents, trade secrets, or other proprietary rights. All Confidential Information and Trade Secrets remains the exclusive property of the Knight School.

6. **Non-Solicitation.** During the term of this Agreement and for a period of one (1) year following its expiration, the Receiving Party agrees not to directly or indirectly solicit for employment or engagement any employee, consultant, or contractor of the Knight School without prior written consent.

7. **Remedies.** Receiving Party agrees they shall be liable to Knight School for any and all damage, damages, loss, losses, costs, and expenses, including reasonable attorneys' fees, caused by Receiving Party's willful or negligent use or disclosure of any Confidential Information, Trade Secret, or information contained therein, in violation of this Agreement.

8. **Construction.** This Agreement shall be governed for all purposes by the laws of the State of Alabama, and shall be construed to maximize protection for Knight School's rights in the Confidential Information, Trade Secrets, and goodwill. If any provision of this Agreement is declared void or unenforceable, such provision shall be deemed severed, and the balance of the Agreement shall remain in full force and effect.

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

IN WITNESS WHEREOF, agreeing to be legally bound hereby, I have duly set my hand and seal to this Confidentiality and Non-Disclosure Agreement and have duly executed and delivered this Confidentiality and Non-Disclosure Agreement as of the date set forth below.

_____
Signatory

_____
Print Name

Date: _____

Address:

_____

_____

AGREED AND ACKNOWLEDGED:

The Knight School Franchising, LLC

By: _____
Name:
Title:

EXHIBIT K

STATE EFFECTIVE DATE PAGE

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

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

STATE	EFFECTIVE DATE
California	
Maryland	
Virginia	

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 L

RECEIPTS
(OUR COPY)

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 The Knight School Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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 The Knight School Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit F.

The franchisor is The Knight School Franchising, LLC, at 2612 Vestavia Forest Terrace, Birmingham, Alabama 35216 or (205) 332-5233. The franchise seller is David Brooks located at 2612 Vestavia Forest Terrace, Birmingham, Alabama 35216, and (205) 332-5233.

Issuance Date: March 31, 2026. The Issuance Date is not the Effective Date. See Page 4 of this disclosure document to determine if your state's Effective Date varies from the Issuance Date.

The Knight School Franchising, LLC authorizes the agents listed on Exhibit G to receive service of process in the respective states.

I received a disclosure document dated March 31, 2026, that included the following Exhibits:

A. Franchise Agreement
B. Financial Statements
C. List of Franchisees
D. List of Former Franchisees
E. Operations Manual Table of Contents
F. List of State Administrators
G. List of Agents for Service of Process
H. Franchisee Disclosure Acknowledgment Statement
I. State Addenda to Disclosure Document
J. Confidentiality and Non-Disclosure Agreement
K. State Effective Date Page
L. Receipts

_____
Date Received

_____
Prospective Franchisee Signature

_____
Prospective Franchisee Printed Name

Mail signed and dated Receipt to The Knight School Franchising, LLC at 2612 Vestavia Forest Terrace, Birmingham, Alabama 35216 or email to dbrooksphd@theknightschool.com.

RECEIPTS
(YOUR COPY)

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 The Knight School Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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 The Knight School Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit F.

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_____
Date Received

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Prospective Franchisee Signature

_____
Prospective Franchisee Printed Name

Mail signed and dated Receipt to The Knight School Franchising, LLC at 2612 Vestavia Forest Terrace, Birmingham, Alabama 35216 or email to dbrooksphd@theknightschool.com.