

FRANCHISE DISCLOSURE DOCUMENT



iCode Franchise, Inc.
4577 Ohio Drive
Frisco, Texas 75035
Phone: 469-305-0592
Email: franchise@icodeschool.com
Corporate: www.icodeschool.com
Franchise: www.icodefranchise.com

You will provide STEAM-based educational courses and other programs for children and adults under the trade name “ICODE.” You will operate either under our “iCode School” program or our “iCode Reach” program. If you operate under the iCode School program, you will build a dedicated school and also have the right to offer classes at public, private, and charter schools, STEM/STEAM centers, churches, libraries, and similar venues in your “Protected Area.” If you operate under the iCode Reach program, you will offer all classes at public, private, and charter schools, STEM/STEAM centers, churches, libraries, and similar venues in your “Protected Area,” but you will not have a fixed school location.

The total investment necessary to begin operation of an iCode franchise under the iCode School program ranges from \$298,425 to \$427,425. This includes \$178,000 to \$218,500 that must be paid to the franchisor or its affiliates. If you acquire the right to develop multiple schools under our area development program, you will sign our area development agreement and pay us a non-refundable development fee equal to \$35,000 multiplied by the number of iCode franchises represented in the area development agreement. The area development fee will then be credited toward the initial franchise fee owed for each iCode franchise developed and opened under the area development agreement. The minimum number of schools required to be operated under an area development agreement is two.

The total investment necessary to begin operation of an iCode franchise under the iCode Reach program ranges from \$79,425 to \$167,425. This includes \$37,425 to \$59,425 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed 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 Abid Abedi, iCode Franchise, Inc., at 4577 Ohio Drive, Frisco, Texas 75035, 469-305-0592 or abid.abedi@icodeschool.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “*A Consumer’s Guide to Buying a Franchise*,” which can help you understand how to use this disclosure document is available from the Federal Trade Commission (“FTC”). 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.

Issued: April 26, 2024 as amended June 5, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about an outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or <u>Exhibit E</u> .
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 <u>Exhibit A</u> includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only ICODE Franchise 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 in involved in material litigation or bankruptcy proceedings.
What’s it like to be an ICODE FRANCHISE franchisee?	Item 20 or <u>Exhibit E</u> lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in 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. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement and Area Development Agreement require you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in Texas. 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 Texas than in your own state.
2. **Financial Condition.** The franchisor’s financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor’s financial ability to provide services and support to you.
3. **Financial Condition.** The auditor’s report on the franchisor’s financial statements expresses substantial doubt about the franchisor’s ability to remain in business. This means that the franchisor may not have the financial resources to provide services or support to you.
4. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
5. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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.

NOTICE REQUIRED BY 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.

- (a) A prohibition of your right to join an association of Franchisees;
- (b) A requirement that you assent to a release, assignment, novation, waiver or estoppel which would deprive you of your rights and protections provided under the Michigan Franchise Investment Law. This does not preclude you, after entering into a franchise agreement, from settling any and all claims;
- (c) A provision that permits the franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause includes 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;
- (d) A provision that permits the franchisor to refuse to renew a franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials that have no value to the franchisor, and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the Franchised Business are not subject to compensation. This subsection applies only if: (a) the term of the franchise is less than five years, and (b) you are prohibited by the franchise agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or if you do not receive at least six months advance notice of the franchisor's intent not to renew the franchise;
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision in the Franchise Agreement or other agreement;
- (f) A provision requiring that arbitration or litigation be conducted outside of Michigan. This does not preclude you from entering into an agreement, at the time of arbitration or litigation, to conduct arbitration at a location outside of Michigan;
- (g) A provision that permits the franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent the franchisor from exercising a right of first refusal to purchase the franchise. Good cause includes, but is not limited to, the following:
 - i. The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards;
 - ii. The fact that the proposed transferee is a competitor of the franchisor;
 - iii. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations;
 - iv. The failure of the franchisee or proposed transferee to pay us any sums owing to the franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer;
- (h) A provision that requires you to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants the franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does it 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 Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c), above;

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

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

Any questions regarding this notice should be directed to: State of Michigan, Consumer Protection Division, Attention: Franchise Bureau, 670 Law Building, Lansing, MI 48913, (517) 373-7117.

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EXHIBITS:

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- Exhibit B Table of Contents of Manual
- Exhibit C Area Development Agreement
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- Exhibit G General Release (Sample Form)
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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, the term “we,” “us” and “our” means iCode Franchise, Inc., the franchisor. The term “you” means the person buying the franchise, the franchisee. The franchisee may be an individual or a business entity, such as a partnership, corporation, or limited liability company.

If the franchisee will be a business entity, then the term “you” means the franchisee business entity, and does not include the entity’s owners. In this disclosure document, we use the term “Owners” to refer to anyone with a beneficial ownership in a franchisee that is a business entity. Owners include, for example, partners in a partnership, shareholders in a corporation, or members in a limited liability company. As described in Item 15, the franchisee’s “Owners” must sign a personal guaranty and agree to be personally bound to the Franchise Agreement.

The Franchisor and any Parents, Predecessors, and Affiliates

iCode Franchise, Inc. is a Texas corporation formed on June 23, 2016. We do business only under our corporate name and under the trade name and service mark “ICODE.” Our principal business address is 4577 Ohio Drive, Frisco, Texas 75035. We have no predecessor company. Our agents for service of process are identified in Exhibit G of this disclosure document.

We franchise the right to provide proprietary STEAM-based educational courses for children and adults and other programs that we may develop periodically. We currently offer franchises for an “iCode School” program and an “iCode Reach” program, as described below. We have been offering iCode School program franchises since June 2016 and began offering iCode Reach program franchises in January 2021. In this disclosure document, the term “Franchised Business” refers to a business operated under either the iCode School program or the iCode Reach program.

We have never operated a business of the type described in this disclosure document, but our affiliates have owned and operated iCode Schools since May 2015. Except for offering and supporting iCode franchises, we do not engage in any other business activities. We have never offered franchises in any other line of business.

Our parent, iCode, LP (“ICP”) shares our principal business address at 4577 Ohio Drive, Frisco, Texas 75035. ICP owns all of the iCode intellectual property, including all trademarks, copyrights, and proprietary information, and has granted us the right to use and sublicense the use of the intellectual property and to franchise the operation of iCode Schools. ICP has never operated a business of the type described in this disclosure document and has never offered franchises in any line of business.

Our affiliate, Indigo Street, LLC, a Texas limited liability company (“Indigo Street”) formed in 2021, sells certain products and services to our franchisees. Indigo Street shares our principal place of business at 4577 Ohio Drive, Frisco, Texas 75035. Indigo Street has never operated a business of the type described in this disclosure document and has never offered franchises in any line of business.

Our affiliate, iCode Technologies, LLC, a Texas limited liability company (“iCode Technologies”) which formed in 2022, launches hardware products that teach children how to code. The first product iCode Technologies is launching is called Programmer Pack, a collaboration with Texas Instruments, DJI and micro:bit sensors. Programmer Pack teaches children how to program and fly a drone in Python programming language. We intend on selling these products via an online store portal and distribute throughout the US by various distributors. Franchisees will have the option to purchase this product from our affiliate, but franchisees are not required to purchase this product. iCode Technologies shares our principal place of business. iCode Technologies has never offered franchises in any line of business.

The Franchise Offered

You will operate the Franchised Business using our proprietary and confidential business format and operating system (our “System”), our proprietary trademarks (our “Marks”), and other of our intellectual property. Our System includes our distinctive interior and exterior design, décor, color scheme, graphics, fixtures and furnishings, proprietary curricula, teaching programs, operations and customer service standards and procedures, advertising and marketing specifications and requirements, and other standards, specifications, techniques, and procedures that we designate, all of which we may change, improve, and further developed or be eliminated (collectively, “Standards”) in our sole discretion. Our Marks include the trade name and service mark “ICODE” and other proprietary trademarks, service marks, our trade dress, and other indicia of origin that we designate to identify businesses operating according to the System. We call this the “Franchised Business”.

iCode School Program

Under the iCode School program, you will build, operate and offer classes at a dedicated school location and you also will have the right to offer classes at public, private, and charter schools, STEM/STEAM centers, churches, libraries, and similar venues in an area which is specified in the franchise agreement and may be defined by a specified radius, map or cross streets aligned on a circular parameter, we call your “Protected Area.” Under the iCode School program, you will select the site for your iCode School within a “Site Selection” area that we agree on before the Franchise Agreement is signed. Once you select a site for your school, we will determine the boundaries of the Protected Area.

If you desire the right to develop multiple iCode Schools in a defined area and you qualify for our area development program, you will sign our Area Development Agreement (see [Exhibit C](#)). You will sign a separate Franchise Agreement for each iCode School that you develop.

For the first iCode School that you develop under the Area Development Agreement, you will sign the form of Franchise Agreement attached to this disclosure document as [Exhibit D](#). For each additional iCode School that you develop under the Area Development Agreement, you will sign the form of Franchise Agreement that we are offering to new franchisees at that time, which may be materially different than the Franchise Agreement attached as [Exhibit D](#).

iCode Reach Program

The iCode Reach program was developed for, and is available only, in smaller and tertiary markets that are considered non-metro rural areas. If we elect to allow an iCode Reach Program; then under the iCode Reach program, we will agree on a “Protected Area” before you sign the Franchise Agreement, and you will offer all of your classes at public, private, and charter schools, STEM/STEAM centers, churches, libraries, and similar venues in the Protected Area. See Item 12 for more details on the Protected Area.

Industry-Specific Regulations

We are aware of no laws or regulations specific to the operation of the Franchised Business, but the Franchised Business must comply with all local, state and federal laws that apply to businesses, generally, including health and safety codes, Occupational Safety and Health (“OSHA”) regulations, federal and state minimum wage requirements, wage and hour laws, and other employment laws. The Franchised Business also must comply with all laws and regulations relating to the acceptance of credit cards, including Payment Card Industry Data Security Standards. Most states regulate advertising to minors and the handling of a minor’s personal information making parental consent an important consideration.

If you operate an iCode School according to the iCode School program, the Americans with Disabilities Act of 1990 requires readily accessible accommodations for people with disabilities, which may affect building construction, site design, entrance ramps, doors, seating, bathrooms, etc. The iCode School also must comply with applicable zoning laws and permit requirements.

The payment card industry (“PCI”) Data Security Standard is the current standard of security requirements for all merchants or service providers that store, process, or transmit cardholder data. You are responsible for PCI Data Security Standard compliance as well as any federal, state, and local laws, regulations, and ordinances related to privacy matters, including data and personally identifiable information

There may be other laws that affect your operation of the Franchised Business. We recommend that you become familiar with all laws, regulations, and permitting requirements in your jurisdiction before you purchase a franchise.

You should consider these and other applicable laws and regulations when evaluating your purchase of a franchise. You alone are responsible for complying with all applicable laws and regulations.

Competition

You will provide services to children and families. The market for schools of the type being offered is well established and highly competitive. There are other schools, facilities, and national systems that you will compete with that teach computer skills and/or offer franchises for tutoring and teaching that are similar to the services provided by iCode School and iCode Reach programs. Competitors may be locally-owned or large, regional, or national chains. The tutoring and teaching industry is also affected by changes in consumer demographics, traffic patterns, location, and economic conditions.

ITEM 2 BUSINESS EXPERIENCE

Founder/Chairman/CEO and Member: Abid Abedi

Mr. Abedi founded the iCode concept in 2015 and has served as our Chief Executive Officer since our inception in June 2016 and as Chief Executive Officer of our affiliate, iCode #1, LLC, in Frisco, Texas, since October 2014. Mr. Abedi has founded several other companies, for which he concurrently serves as Chairman and CEO, including: Managed Staffing, Inc., from August 2007 to present in Frisco, Texas; Scarlet Wireless, Inc., from September 2011 to present in Frisco, Texas; and Rosewood Academy, LLC, from May 2010 to December 2019, in Dallas, Texas.

Senior Vice President of Franchising & Operations: Randall McGee

Mr. McGee has served as our Senior Vice President of Franchising and Operations since June 2022. From May 2015 to February 2020, he was COO and V.P. of Franchising for Soulman's Bar-B-Que, Inc. in Roysse City, Texas.

Chief Financial Officer: Leslie Pelley

Ms. Pelley has served as Chief Financial Officer since the inception of iCode in 2015 and for Managed Staffing and Scarlet Wireless since 2013 in Dallas, Texas.

Vice President of Franchise Development: Joe Manuszak

Mr. Manuszak joined iCode and has been with us since January of 2024. Before joining iCode Mr. Manuszak served as, a Vice President of Global Franchise Development at the BELFOR Franchise Group from its Nashville Tennessee office from 2017 to 2020 and from its Tamworth, United Kingdom from 2020 till December 2023.

Vice President of Digital Marketing: Chris O'Leary

Mr. O'Leary has served as iCode's VP of Digital Marketing since April 2023. Before joining iCode, Mr. O'Leary served as the Vice President of Digital Strategy at Link Right Media in Arlington, TX from Feb 2016 until April 2023.

Vice President of Marketing: Kathy Anet

Mrs. Anet has served as our Head of Marketing since July 2021. From August 2018 to July 2021, Mrs. Anet served as the Director of Marketing for ABATIX in Mesquite, Texas. From October 2015 to August 2018, Mrs. Anet served as Director of Marketing for W3 Luxury Living in Grand Prairie, Texas.

**ITEM 3
LITIGATION**

Code Utah, LLC v. iCode Franchise, Inc. (Civil Action No. 4:22-cv-00657-SDJ): On May 23, 2022, Code Utah, LLC, a Utah limited liability company and ICODE franchisee, filed this action against us in the 3rd District Court of Salt Lake County, which was subsequently removed to the U.S. District Court for the Eastern District of Texas. The plaintiff alleges that the following causes of action: violation of the Texas Deceptive Trade Practices Act, unfair competition, fraudulent inducement, unjust enrichment, mutual mistake, and negligent misrepresentation based on the plaintiff's assertion that her leasehold improvement costs would exceed the amount stated in Item 7 based on a construction bid she received. The plaintiff has requested rescission of the franchise agreement and restitution for all amounts paid in furtherance of the franchise agreement, and attorneys' fees and costs. On January 29, 2024, the Parties entered into a mutual Settlement Agreement, under which iCode paid fourteen thousand dollars and 00/100 and The Hartford Financial Services Group by, for, and on behalf of iCode paid Eighty-five thousand dollars and 00/100 and the Parties agreed to exchange mutual releases.

Other than this action, no other litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

No bankruptcies are required to be disclosed in this Item.

**ITEM 5
INITIAL FEES**

iCode School Program

If you are acquiring franchise rights for the iCode School program, you will pay us a \$35,000 initial franchise fee when you sign the Franchise Agreement. The initial franchise fee is uniform for all new franchisees acquiring a franchise for the iCode School program and is fully earned and nonrefundable upon payment.

If you enter into an Area Development Agreement, you agree to open a certain number of iCode franchises, which must be at least two franchises, in defined territories over a specified period of time. You will sign our Area Development Agreement and pay us a non-refundable development fee equal to \$35,000 multiplied by the number of iCode franchises represented in the Area Development Agreement. The area development fee will then be credited toward the franchise fee owed for each iCode franchise developed and opened under the Area Development Agreement. The development fee is calculated uniformly for all franchisees and is fully earned and nonrefundable upon payment.

iCode Reach Program

If you operate under the iCode Reach program, you will offer all classes at public, private, and charter schools, STEM/STEAM centers, churches, libraries, and similar venues in your "Protected Area," but you will not have a dedicated school. If you are acquiring franchise rights for the iCode Reach program, you will pay us a non-refundable \$15,000 initial franchise fee when you sign the Franchise Agreement. The initial franchise fee is uniform for all new franchisees acquiring a franchise for the iCode Reach program and is fully earned and non-refundable upon payment.

Veteran’s Discount

Veterans of the U.S. Armed Forces are eligible to receive a 10% discount on their Initial Franchise Fee for the first iCode School Program or iCode Reach Program franchise awarded. To qualify for the discount, the veteran must own at least a 50% interest in the franchise. “Veteran” means a recipient of an honorable discharge as evidenced by the U.S. Department of Defense and provide documentation (DD-214). It is the veteran’s responsibility to send us the required documents in order to obtain the discount.

All of the fees described in this Item are each uniformly imposed, payable in lump sum and are non-refundable.

Franchisor or Affiliate as a Designated Supplier

We reserve the right to designate us or our affiliates as the designated supplier for certain products and services that are required to establish and open your Franchised Business, including architectural and project management, furnishings, computer equipment and IT installation, signage, and graphics. Therefore, a portion of the estimated initial investment for these products and services, as reflected in Item 7 of this disclosure document, may be payable to us or our affiliates. If you are acquiring franchise rights for the iCode School program, you will pay us or our affiliate between \$38,000 to \$212,500 as determined based on our then-current list of Approved Suppliers. If you are acquiring franchise rights for the iCode Reach program, you will pay us or our affiliate between \$36,000 to \$58,000 as determined based on our then-current list of Approved Suppliers. The amounts listed in this paragraph does not include credit card processing fee payable by you if applicable.

The cost of the products and services are calculated uniformly for all franchisees and is nonrefundable upon payment.

iCode-in-a-Box Package

Prior to your School opening you will pay us approximately \$142,000 to \$182,000 for your “iCode-In-A-Box Package”. The range is based on standard 1,800 sq. ft location; however, the actual cost may vary depending on the size and layout. The iCode-In-A-Box Package includes your architectural services (but not the general contractor build-out; this will be a separate cost incurred), glass (excluding any labor or installation required), furniture and chairs, network and computer equipment, a graphics package, signage, new starter kit and supplies, flooring material and course inventory. Upon receipt of this payment, we will then order and ship your iCode-In-A-Box items to you. The pricing provided does not include any applicable state sales tax but does include shipping charges. The iCode-In-A-Box Package amount is nonrefundable upon payment.

**ITEM 6
OTHER FEES¹**

Franchise Agreement – iCode School Program and iCode Reach Program

Name of Fee	Amount	Due Date	Remarks
Royalty – iCode School Program ²	Under the iCode School program, greater of Minimum Royalty or 8% of Gross Sales	Monthly, payable by ACH	The Minimum Royalty for the iCode School Program is \$800 per month, beginning the ninth full calendar month after the Franchise Agreement is signed, or the second full calendar month after the iCode School opens for business, whichever occurs first.

Name of Fee	Amount	Due Date	Remarks
Royalty – iCode Reach Program ²	Under the iCode Reach program, greater of Minimum Royalty or 12% of Gross Sales	Monthly, payable by ACH	The Minimum Royalty for the iCode Reach program is \$250 per month, beginning the second full calendar month after the Franchise Agreement is signed.
Brand Development Fee ²	2% of Gross Sales	Monthly, payable by ACH	You will pay us a Brand Development Fee to compensate us for certain marketing services we provide to you. Currently, this includes our marketing playbook, us setting up and hosting your iCode website, setting up your social media channels and pre-populating the sites with content, providing a portal with a repository of digital marketing assets you can access for local marketing initiatives, access to our portal for ordering branded materials, and benefits from national marketing and PR initiatives we undertake to promote the iCode brand. We reserve the right to change these services as we deem appropriate.
Local Advertising ²	3% of Gross Sales	Monthly	Payable to vendors.
Training	Reimbursements for the costs of travel, lodging, food and related expenses, if we provide onsite training at your request	As scheduled, payable by ACH	We provide virtual training for iCode School directors, and instructors. We also provide monthly continuing education training for instructors. basis.
Additional Assistance Fee	Our then-current rates	30 days after billing	If you request additional assistance, or if we deem it necessary.
Audit	Cost of audit plus 18% interest	30 days after billing	Payable only if an audit shows understatement of Gross Sales for any month.
Technology Fee	\$475	Monthly, payable to us or third-party vendor as we may designate by ACH or other method of payment.	This fee is for all internal systems made available to you, which may include our intranet, licensing to support our courses and marketing tools applicable to both the iCode School and

Name of Fee	Amount	Due Date	Remarks
			iCode Reach Program. The Technology Fee further includes portal you will use for booking enrollments, scheduling students and billing customers and includes 10 email addresses for your franchised business. Additional email addresses will be provided for an additional fee, currently \$10 per month per additional email address. We retain the right to increase this Technology Fee upon 30-days written notice each calendar year by an amount not to exceed 10% of the prior year's cap.
Payment Processing Fee	2% to 4% of Gross Sales, based upon payment types and interchange fees	Monthly, payable to Approved Vendor or Affiliate	Fees for processing credit card and other forms of payment through the online enrollment system.
Credit Card Fees	2% to 4%, based on third party credit card processor	As incurred	You are solely responsible for any credit card fees charged by third parties for any products or materials purchased through us or our affiliates.
Transfer Fee	\$20,000	Five days prior to confirmation of transfer	Payable only if you assign your rights in the Franchise Agreement or if there is a change of control of the franchisee entity. No charge for transfer to an entity which you control.
Renewal	Half of the then-current Franchise Fee	Upon execution of renewal Franchise Agreement	Payable to us by ACH.
Management Fee	4% of Gross Sales	Payable weekly on Wednesday for the previous week, plus salary of manager we designate to manage your Franchised Business, if needed	Payable only if we elect to operate the Franchised Business on account of your death or disability.
Holdover Fee	200% of the current Royalty Fees due	On demand	Payable if you continue to operate the Franchised Business after expiration of the franchise agreement without renewal.
Reimbursement of Insurance Premium	Cost of premium plus our administrative	On demand	If you fail to obtain the required insurance covers, we may at our

Name of Fee	Amount	Due Date	Remarks
	fee, not to exceed \$500		option obtain coverage your behalf. If so, you must reimburse us the cost of the premium and pay our administrative fee.
Interest ³	1.5% per month or maximum legal rate, whichever is less	Immediately applied if late	
Liquidated damages	An amount equal to Average Gross Sales ⁴ for the lesser of (i) 24 months or (ii) the remaining weeks of the franchise term.	On demand	Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.

Note 1. All fees in the chart are uniformly imposed for all franchisees, payable to us, fully earned and nonrefundable, unless otherwise noted.

Note 2. “Gross Sales” includes all tuition and events-related revenue and revenue received from the sale of products and services from the operation of the iCode School or Reach program (as applicable), and all other income of whatever nature or kind relating to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit; provided, that Gross Sales will not include any sales tax or other taxes that you collect and pay to the appropriate taxing authority.

Note 3. Interest is not charged unless payment is seven or more days late, but when charged, accrues from the date of nonpayment.

If we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so, we are entitled to collect in addition to all other amounts due to us under the franchise agreement, liquidated damages calculated as an amount equal to (a) the product of your Average Gross Sales, multiplied by the lesser of (i) twenty-four months, or (ii) the number of full months remaining in the franchise term. For purposes of this calculation, “Average Gross Sales” means total Gross Sales and Brand Development Fee paid by you for the twelve-month period immediately preceding termination, divided by twelve. If the Franchised Business has been operating for less than twelve months at the time of termination, “Average Gross Sales” means total Gross Sales and Brand Development Fee for the period of operation divided by the number of months in operation.

Area Development Agreement – iCode School Program

Name of Fee	Amount	Due Date	Remarks
Extension Fee	\$5,000	Upon request for extension	Payable only if you request an extension to any development period.
Franchise Assignment Fee	\$5,000	Upon request for assignment	Payable only if the right to develop an iCode School is assigned to an affiliated entity.
Transfer Fee	\$2,500	Upon request for assignment	Payable only if you assign your rights in the Area Development Agreement to a business entity for convenience or if your Owners are transferring a minority interest among

Name of Fee	Amount	Due Date	Remarks
			themselves. Note, you do not have right to transfer any your rights in the Area Development Agreement or change of control in the developer entity.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Estimated Initial Investment – iCode School Program

Type of expenditure	Amount		Method of payment	When due	To whom payment is made
	Low	High			
Initial Franchise Fee ¹	\$35,000	\$35,000	Lump sum	Upon signing agreement	Us
Architecture and Project Management ^{2,5}	\$16,000	\$18,000	As arranged	As arranged	Us, Affiliate,
Leasehold Improvements ³	\$90,000	\$135,000	As arranged	As arranged	Contractors/ vendors
Lease Deposits ⁴	\$4,000	\$10,000	Lump sum	Upon signing the lease	Landlord/ vendors
Furnishings ^{5,6}	\$20,000	\$24,000	As arranged	As arranged	Us, Affiliate
Glass Walls and Doors ^{5,7}	\$35,000	\$45,000	As arranged	As arranged	Us, Affiliate
Computers/IT Installation ^{5,8}	\$40,000	\$55,000	As arranged	As arranged	Us, Affiliate
Technology Fee ⁹	\$1,425	\$1,425	As arranged	As arranged	US, Affiliate, or approved vendor
Grand Opening Advertising ¹⁰	\$5,000	\$5,000	As arranged	As arranged	Approved vendor
Classroom/Office Supplies ^{5,11}	\$1,000	\$1,500	As arranged	As arranged	Us, Affiliate, or approved vendors
Course Inventory ^{5,11}	\$13,000	\$15,000	As arranged	As arranged	Us, Affiliate
Student Supplies ^{5,11}	\$2,000	\$3,000	As arranged	As arranged	Us, Affiliate
Signage and Graphics ^{5,12}	\$12,000	\$16,000	As arranged	As arranged	Us, Affiliate
Flooring Materials ⁵	\$4,000	\$6,000	As Arranged	As Arranged	Us, Affiliate

Type of expenditure	Amount		Method of payment	When due	To whom payment is made
	Low	High			
Insurance ¹³	\$2,000	\$5,000	As arranged	As arranged	Approved vendor
Initial Training Program ¹⁴	\$2,000	\$4,000	As arranged	As arranged	Hotels, airlines, and other providers
Professional Fees ¹⁵	\$1,000	\$3,500	As arranged	As arranged	Service providers
Additional Funds (3-month period) ¹⁶	\$15,000	\$45,000	Cash	As needed	Paid as needed
Total	\$298,425	\$427,425			

Note 1. When you sign the Franchise Agreement, you will pay us a \$35,000 initial franchise fee. The initial franchise fee is fully earned, nonrefundable, and is uniform for all franchisees signing a Franchise Agreement for the iCode School program. If you operate under the iCode Reach program, you will offer all classes at public, private, and charter schools, STEM/STEAM centers, churches, libraries, and similar venues in your “Protected Area,” but you will not have a dedicated school. Neither we nor our affiliates finance any part of the initial franchise fee or the initial investment.

Note 2. You are required to use our approved architectural and project management services. The low figure assumes buildout for an iCode School consisting of approximately 1,800 square feet of commercial space.

Note 3. You are required to use our approved real estate service. The figures shown are based upon current commercial leasing and remodeling/finish-out rates in the Dallas/Fort Worth, Texas metropolitan area. Our estimates assume you enter into a favorable lease with the lessor providing a tenant improvement allowance of a minimum of \$50,000 that covers a large part of your construction expense. Costs may vary substantially based upon square footage, commercial lease rates, age of the property, tenant improvement allowance, construction costs, economic conditions, and the availability and prices of materials. Floor plan sizes range from 1,800 to 2,000 square feet on average. Depending on location, size, and other variables noted, your actual costs may be higher or lower than the estimates reflected in this chart.

Note 4. This includes the lease for your retail space. These figures are based on current financing conditions in the Dallas/Fort Worth, Texas metropolitan area. Costs may vary substantially depending on geographic location, creditworthiness, and your financing arrangements.

Note 5. iCode-in-a-Box is based on a typical 1,800 sq ft build-out. This is not fixed cost; it is variable depending on the size and layout of the space and number of hubs installed in your School premises. This pricing includes your architectural services (but not the general contractor build-out; this will be a separate cost incurred), glass, furniture and chairs, network and computer equipment, a graphics package, signage, new starter kit and supplies, flooring material and course inventory. This amount is paid to our affiliate Indigo Street, LLC.

Note 6. You are required to use our approved furnishings and glass vendors. The figures for “Furnishings” includes costs for desks, tables, chairs, lobby furniture, file cabinets, storage systems, decor items and other required furniture or equipment.

Note 7. The cost for “Glass” includes the estimated costs for glass fabrication installation, doors and hardware, as well as the application of linen/vinyl film per brand requirements.

Note 8. You are required to use our approved computer equipment and IT vendors, and may choose to purchase, finance, or lease the hardware that we specify. The low figure assumes that you will lease the necessary computer and IT equipment through an approved lender, and the high figure assumes that you will purchase the equipment. Costs for financing or leasing may vary substantially depending on creditworthiness and the financing or leasing program selected. Lenders and leasing providers may require additional insurance be purchased and maintained during the period of the loan or lease.

Note 9. Technology Fee includes all internal systems such as which may include our intranet, licensing to support our courses and marketing tools. The cost further includes portal franchisee may use for booking enrollments, student scheduling, and billing customers. The fee further includes 15 e-mail addresses to be used by the franchised business. Additional email addresses will be provided for an additional fee, currently \$10 per month per additional email address.

Note 10. You are required to spend at a minimum \$5,000 towards a grand opening advertising campaign, which you must conduct as we instruct using the vendors we approve. A portion of this grand opening advertising may be conducted before you open, after you open, or a combination of both strategies. Regardless, you must spend a total of \$5,000 over the initial 180 days of your Franchised Business. You will pay this amount directly to third-party vendors. The campaign and all materials must be approved by Franchisor before implementation.

Note 11. This figure includes miscellaneous items necessary to conduct classes. “Course Inventory” includes materials required to conduct classes, such as drones, robotics and other items. “Student Supplies” include items such as branded drawstring bags, lanyards, branded shirts and other items provided to students. You are required to use our approved vendor to purchase student supplies.

Note 12. This figure includes interior and exterior signage, a monument sign, room signs, and interior displays and graphics. The cost of signage may vary significantly depending on the vendor, location of the iCode School, landlord and municipal requirements, and market conditions.

Note 13. You are required to use our approved insurance provider. The figures in the chart represent the estimated annual premiums for the minimum insurance coverages specified in this disclosure document and required by the Franchise Agreement. These amounts may vary according to your location and types of insurance purchased.

Note 14. See Item 11 for more information about our training program. Initial training of one week is provided at iCode headquarters. The amounts in the chart represent the estimated out-of-pocket costs (including travel and lodging) for two people to attend training.

Note 15. These figures represent the estimated cost of hiring a lawyer and accountant to assist you in setting up a single member limited liability company to operate the franchise. These figures also represent the cost of having a commercial lease attorney review your lease prior to execution. Depending on your organizational structure and number and relationship with other owners, your costs may be higher.

Note 16. The amounts in the chart represent the additional funds, or working capital, you will likely need before you begin operations and during the first three months of operations. You may need these funds to pay fixed operating expenses, such as rent, employee salaries, payroll taxes, utility charges, license and permit fees, and to purchase software licenses and maintenance services, supplies, and collateral merchandise. The amounts in the chart do not include any allowance for debt service or for a salary for you. These figures were based on our affiliate’s experience operating iCode programs in Texas since 2015.

Estimated Initial Investment – iCode Reach Program

Type of expenditure	Amount		Method of payment	When due	To whom payment is made
	Low	High			
Initial Franchise Fee ¹	\$15,000	\$15,000	Lump sum	Upon signing agreement	Us
Computers, Classroom Supplies, and Student Supplies ²	\$20,000	\$40,000	Lump sum	As arranged	Us, Affiliate, or approved vendor
Technology Fee ⁹	\$1,425	\$1,425	As arranged	As arranged	US, Affiliate, or approved vendor
Grand Opening Advertising ¹⁰	\$5,000	\$5,000	As arranged	As arranged	Approved vendor
Insurance ³	\$1,000	\$3,000	Lump sum	As incurred	Us, Affiliate, or Approved vendor
Initial Training Program ⁴	\$1,000	\$2,000	As arranged	As arranged	Hotels, airlines, and other providers
Professional Fees	\$1,000	\$3,000	As arranged	As arranged	Service providers
Company Vehicle and Wrap ⁵	\$30,000	\$90,000	As arranged	As arranged	Approved vendor and other providers
Additional Funds (3-month period) ⁶	\$5,000	\$8,000	Cash	As needed	Paid as needed
Total	\$79,425	\$167,425			

Note 1. When you sign the Franchise Agreement, you will pay us a \$15,000 initial franchise fee. The initial franchise fee is fully earned, nonrefundable, and is uniform for all franchisees signing a Franchise Agreement for the iCode Reach program. Neither we nor our affiliates finance the initial franchise fee or the initial investment.

Note 2. This category includes laptop computers and miscellaneous equipment and items necessary to conduct classes and front office work, including drones, robotics and other items, and branded drawstring bags, lanyards, branded shirts and other items provided to students.

Note 3. We estimate that this amount will be sufficient to cover the insurance coverages required by the Franchise Agreement. These amounts may vary according to your location and types of insurance purchased.

Note 4. See Item 11 for more information about our training program. Initial training of one week is provided at iCode headquarters. The amounts in the chart represent the estimated out-of-pocket costs (including travel and lodging) for two people to attend training.

Note 5. You must lease or purchase a company vehicle that meets our standards and specifications, which may include brand and model year requirements. You must also install a vehicle wrap or decal in accordance with our standards and specifications. The figures above reflect the estimated cost of purchasing the vehicle

and installing a vehicle wrap. If you choose to lease your company vehicle, your initial costs may be significantly lower. Your costs could vary depending on your creditworthiness or if you make a significant down payment toward your company vehicle loan or lease.

Note 6. The amounts in the chart represent the additional funds, or working capital, you will likely need before you begin operations and during the first three months of operations. They assume that you will incur no salary expense unless and until you are actually offering classes. The amounts in the chart do not include any allowance for debt service or for a salary for you. These figures were based on our affiliate’s experience operating iCode programs in Texas since 2015.

Estimated Initial Investment – Area Development Agreement¹

Type of expenditure	Amount	Method of payment	When due	To whom payment is made
Initial Franchise Fee ²	\$35,000 multiplied by the number of Schools to be developed	Lump sum	Upon signing agreement	Us
Total	\$35,000 multiplied by the number of Schools to be developed			

Note 1. If you develop multiple Schools under our Area Development Agreement, the initial investment for each School developed may vary, depending on rent and operating costs.

Note 2. When you sign the Area Development Agreement you will pay us a non-refundable development fee equal to \$35,000 multiplied by the number of iCode franchises represented in the Area Development Agreement. The area development fee will then be credited toward the franchise fee owed for each iCode franchise developed and opened under the Area Development Agreement.

**ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

Purchases from Approved Suppliers; Purchases According to Specifications

We and our affiliates reserve the right to derive revenue from franchisee purchases and leases to the extent the franchisees purchase products or services from us, our affiliates, or our approved vendors. Our affiliate, Indigo Street, LLC is the designated provider of certain products and services to our franchisees. Our affiliate, iCode Technologies, LLC, is not a designated provider but does sell certain equipment to franchisees at the franchisee’s option. We reserve the right to reasonably markup the price of products and supplies from our approved vendors.

In the fiscal year ending December 31, 2023, we did not derive any revenue from franchisee leases and purchases. However, in the fiscal year ending December 31, 2023, our affiliate, Indigo Street, LLC, derived \$1,256,505 in revenue from franchisee purchases. In the fiscal year ending December 31, 2023, our affiliate, iCode Technologies, LLC, derived \$14,295 in revenue from franchisee purchases.

We may require you to purchase from our affiliates or approved or designated suppliers or distributors all products and services necessary to construct and operate the franchised business, including all glass walls and doors, computer and IT equipment (as further detailed in Item 11), furnishings, signage, inventory, interior décor, student and promotional supplies, and use our designated architectural and project management services, insurance and insurance services (including brokerage services), and designated merchant services provider. If you are acquiring the rights to operate an iCode Reach, you must lease or purchase a company vehicle from our designated or approved vendor or supplier. You must also use our

designated vendor or supplier for window tinting, vehicle wraps and decals.

You must purchase from our affiliate the iCode-Store-In-A-Box Package which includes your architectural services, glass, furniture and chairs, network and computer equipment, a graphics package, signage, new starter kit and supplies, flooring material and course inventory.

Except as described above, neither we nor our affiliates are approved suppliers or the only suppliers of these items, and none of our officers own an interest in these suppliers.

If we have identified designated or approved suppliers for a particular item or service (other than glass walls and doors, computer and IT equipment, software, furnishings, signage, and services) and you wish to purchase from a different supplier, you may request our approval. We do not make our criteria for supplier approval available to franchisees and, in evaluating a supplier, we may take into consideration other factors, such as the effect that approval may have on existing supplier relationships.

We have no obligation to consider a request for supplier approval but, if we do, we may require an opportunity to inspect the supplier's facilities and to test a sample of the supplier's products, at your sole cost and expense. If we agree to consider your proposed supplier, we will provide you our decision within 30 days of receiving all requested information. If written approval is not granted by us, the request is deemed denied. We may revoke our approval of a particular supplier by providing written notice to you or by updating our Manual.

If we have not identified an approved supplier or distributor for an item or service, you may purchase the item or service from a supplier of your choice, but they must meet our specifications, which may include brand requirements. Our specifications will be communicated to you via the Manual or otherwise in writing.

Lease and Shared Space Requirements

If you operate under the iCode School program, you must use our approved architectural service to acquire a site for your iCode School that meets our site selection criteria. If you occupy the iCode School premises according to a commercial lease, the lease must contain terms that we specify. (See Lease Rider attached as Attachment B to the Franchise Agreement.)

If you operate under the iCode Reach program, you must enter into a written arrangement with each venue at which you offer classes. You must submit to us for our review and approval a copy of the written agreement, and the agreement must give us the option of assuming your rights under the agreement if the Franchise Agreement terminates or expires.

Insurance

You must obtain and maintain insurance that meets our minimum insurance requirement as stated below. You must also provide us with a certificate of insurance and additional insured endorsement complying with the below requirements no less than 10 days prior to opening your Franchised Business for all other policies, and at least 30 days prior to any renewal providing the endorsements as noted below.

Failure to obtain and maintain insurance requirement may lead to termination of your Franchised Business at our discretion. You must obtain and maintain insurance that meets our minimum insurance requirements, which currently consist of the following:

- Property Insurance including business income and extra expense for actual loss sustained for 12 months or 30% of Gross Sales, as well as full coverage for replacement of leasehold improvements and business personal property. Flood and earthquake may be required in geographically prone areas.
- Crime policy for employee dishonesty for \$25,000.
- General Liability coverage for \$1,000,000 per occurrence and \$2,000,000 aggregate. This policy must include Leased Premises for \$1,000,000 (if applicable, and per your lease),

Personal Injury and Advertising Liability of \$1,000,000, and Medical Payments of \$10,000.

- Employment Practices Liability including third party claims for \$1,000,000 and naming iCode Franchise, Inc. as co-defendant.
- Auto Liability for all owned (if applicable), non-owned and hired vehicles used in the Franchised Business for \$1,000,000 combined single limit liability.
- Umbrella Liability for \$1,000,000 in excess over all policies.
- Workers' Compensation for statutory limits including Employer's Liability of \$1,000,000/\$1,000,000/\$1,000,000 and the Alternate Employer's endorsement in our favor. Must be bound at the time you hire staff, whether as employees or independent contractors.
- Builder's Risk insurance is required while in the construction phase. You are required to name iCode Franchise, Inc. as additional insured on all liability policies from contractors and sub-contractors and General Liability policy during the construction phase. You must provide us with all appropriate certificates before beginning leasehold improvements.
- Abuse & Molestation Liability for \$1,000,000.
- All insurance policies must be written by a carrier with an A.M. Best rating of at least A-VII and name iCode Franchise, Inc. as an additional insured.
- Each policy must provide for 30 days' written notice of cancellation, directed to both you and to us. Each liability policy must include a waiver of subrogation in favor of us and our affiliates, and each company's owners, governing persons, agents, employees, and independent contractors. Please note that your lease agreement may require more or different coverage than is included here.
- You must provide us with a certificate of insurance complying with these requirements no less than 10 days before you enter a lease and begin operations, and at least 30 days before any renewal.
- If you fail to maintain the required insurance, we, or our designee, may obtain the insurance for you and demand reimbursement of the premium costs, and costs of acquiring the insurance.
- These are minimum requirements only, and we have the right to modify them at any time. Your landlord may require more coverage or additional types of coverage. You should consult with your insurance advisor to determine whether they are appropriate and sufficient for your business and to protect your assets.

Estimated Proportion of Required Purchases and Leases to all Purchases and Leases

We estimate that required purchases and leases (meaning purchases and leases from us, our designated suppliers and purchases and leases of items meeting our specifications) will account for approximately 80% to 90% of your purchases and leases in establishing the Franchised Business and approximately 80% to 90% of your purchases and leases in operating the Franchised Business.

Description of Purchasing Cooperatives; Purchasing Arrangements

We may negotiate purchase arrangements with primary suppliers for the benefit of franchisees and may in the future receive rebates or other material benefits on account of franchisee purchases or leases. If we negotiate a purchase agreement for the region where your Franchised Business is located, you must participate in the purchasing program. Currently there are no purchasing or distribution cooperatives in existence for the franchise system.

We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

**ITEM 9
FRANCHISEE’S OBLIGATIONS**

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

	Obligation	Section in Franchise Agreement	Section in Area Development Agreement	Item in Disclosure Document
a.	Site selection and acquisition/lease	Section 6	Not applicable	Item 11
b.	The pre-opening purchases/leases	Section 7	Not applicable	Items 7 and 11
c.	Site development and other pre-opening requirements.	Section 7	Article 4	Item 11
d.	Initial and on-going training	Sections 3 and 4	Not applicable	Item 11
e.	Opening	Sections 4 and 6	Section 4.5	Item 11
f.	Fees	Section 3	Articles 3 and 4	Items 5 and 6
g.	Compliance with standards and policies/operating manual	Sections 5, 6, and 7	Not applicable	Items 8 and 16
h.	Trademarks and proprietary information	Section 10	Not applicable	Items 13 and 14
i.	Restrictions on products/services offered	Section 7	Not applicable	Item 16
j.	Warranty and customer service requirements	Section 7	Not applicable	Item 16
k.	Territorial development and sales quotas	Section 1	Not applicable	
l.	Ongoing product/service purchases	Section 7	Not applicable	Item 8
m.	Maintenance, appearance and remodeling requirements	Sections 2, 5, and 7	Not applicable	Items 16 and 17
n.	Insurance	Section 8	Section 7.2	Item 7
o.	Advertising	Section 9	Not applicable	Items 6 and 11
p.	Indemnification	Section 16	Section 7.3	Item 11
q.	Owner’s participation/management/staffing	Section 4	Not applicable	Item 15
r.	Records and reports	Sections 3 and 11	Not applicable	Item 6
s.	Inspections and audits	Sections 3, 6, and 11	Not applicable	Items 6 and 11
t.	Transfer	Section 14	Article 8	Item 17
u.	Renewal	Section 2	Section 4.6	Item 17
v.	Post-termination obligations	Sections 13.2.2 and 15	Sections 2.2 and 10.3	Item 17
w.	Non-competition covenants	Section 13	Article 10	Item 17

	Obligation	Section in Franchise Agreement	Section in Area Development Agreement	Item in Disclosure Document
x.	Dispute resolution	Section 17	Article 12	Item 17

**ITEM 10
FINANCING**

We do not offer direct or indirect financing and will not guarantee your notes, leases, or other obligations.

**ITEM 11
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

Except as listed below, iCode Franchise, Inc. is not required to provide you with any assistance.

Pre-Opening Assistance

Before you begin operating the Franchised Business, we will:

1. Admit two individuals to our initial training program, described below. (Section 4.1, Franchise Agreement.)
2. Provide you digital access to our Manual, or in such other format we designate (Sections 5.1., Franchise Agreement). The Table of Contents of the Manual is attached to this disclosure document as Exhibit B. Our Manual consists of 79 pages.
3. Communicate to you information about our approved vendors. (Section 7, Franchise Agreement.)
4. Permit or refuse to permit development of your iCode School Program at proposed site. (Section 6.1.1, Franchise Agreement.)
5. Provide approval or deny lease terms of the proposed site for the iCode School Program within thirty days of written request and providing us with all requested information of the proposed site. (Section 6.2.1, Franchise Agreement).
6. Provide such pre-opening consultation and advice as we deem appropriate, which may include advice with regard to the development and operation of the Franchised Business, building layout, furnishings, fixture, and equipment, plans and specifications, purchasing and inventory control, and such other matters as we deem appropriate. (Section 6.5, Franchise Agreement.)

Post-Opening Assistance

During the operation of the Franchised Business, we will:

1. Provide ongoing consultation and advice as we deem appropriate, which may include information about new product development, instruction concerning the operation and management, advertising and marketing advice, and financial and accounting advice. (Sections 7 and 9, Franchise Agreement.)
2. Communicate to you information about our approved vendors. (Section 7, Franchise Agreement.)

Advertising

Grand Opening Advertising

You are required to spend at least \$5,000 in Grand Opening Advertising in a manner that we require for your iCode School or iCode Reach Franchised Business. You may choose to spend more, but any additional

amount spent must conform with our requirements. We may require this amount to be spent before opening, within a certain number of days after opening, or a combination thereof. You will pay this amount directly to approved third-party vendors, as we require. The Grand Opening Advertising obligation is in addition to other advertising obligations, and does not count towards the Brand Development Fee or the Local Advertising Fee obligations. Regardless, you must spend a total of \$5,000 over the initial 180 days of your Franchised Business. You will pay this amount directly to third-party vendors.

We must approve the campaign and all materials before implementation.

Brand Development Fee

Each month you will pay us a Brand Development Fee calculated as 2% of the prior month's Gross Sales in consideration for our providing you an online presence through our website and other authorized social media and access to digital marketing materials. These services may include providing you art-ready digital versions of our advertising, trademarks and logos for use, on an as-needed basis. We may elect to utilize various local, regional and/or national media campaigns in the future which may include television, magazine, newspaper and Internet advertising campaigns. We have the right to use Brand Development Fee monies, in its sole discretion, to pay for creative development services (including creation and modification of iCode school design and trade dress, logos, graphics and vehicle wraps, and advertising and promotional items, including the cost of photography services and design software), preparing and procuring market studies, providing or obtaining marketing services (including, without limitation, conducting customer surveys, focus groups, and marketing-related mystery shops and customer interviews); our marketing playbook, creating and hosting the website, creating and launching social media channels, and providing a portal with a repository of digital marketing assets to assist you with local marketing; employing advertising and/or public relations agencies; developing, producing, distributing and placing advertising (including, without limitation, preparing and conducting media advertising campaigns in various media, local School advertising and promotion in a particular area or market, or for the benefit of a particular School or Schools in connection with School opening promotions or otherwise), conducting and administering in-School promotions; preparing and executing direct mail advertising, and developing, producing and purchasing point-of-sale advertising, boards, and other sales aids and promotional items and materials); new product development and development of product packaging; developing, updating and hosting Franchisor's website (including development of locator programs) and/or an intranet or extranet system; obtaining sponsorships and endorsements; preparing and conducting sweepstakes and other promotions; developing, administering, and distributing coupons, certificates and stored value card programs, and the cost of products associated with the redemption of free coupons, gift certificates and stored value cards; developing and administering other customer loyalty programs; developing and administering online ordering platforms; providing and procuring public relations services; conducting public relations activities; charitable donations; and membership fees in international, national, regional, and/or local trade or other associations or organizations. Franchisor also may use Fee monies to reimburse itself for its costs of personnel and other administrative and overhead costs associated with providing the services described in this agreement.

During our fiscal year ending on December 31, 2023, we spent approximately 34% of our advertising dollars on production, 39% on media and creative placement, and 27% on administrative expenses. No advertising dollars were used to solicit new franchise sales, but they may be used for such purpose in the future.

For franchisees subject to the (i) Maryland Franchise Registration and Disclosure Law or (ii) Minnesota Franchise Act, the following disclosures apply:

Upon your reasonable request, we will provide you an unaudited statement of collected Brand Development Fees and our marketing and advertising-related expenditures. We will consider your request reasonable if you have given us at least five days' notice.

Our franchisor-owned outlets are not obligated to pay a Brand Development Fee. Other franchisees may pay the Brand Development Fee at varying rates and amounts.

Local Advertising

Each month, you must spend 3% of Gross Sales to promote the Franchised Business in your market area. At our request, you must provide copies of invoices that support your local marketing spend. We may increase this requirement upon reasonable notice to you. You must give us a quarterly report of your local advertising expenditures within 15 days following the end of each calendar quarter.

You may develop your own advertising and marketing materials, at your own expense, subject to the requirements described below.

We will maintain control over all promotional and marketing materials to be used in your Franchised Business. You may, at your option, submit to us proposed materials, which we will review and let you know whether they are approved within 10 days of their receipt. Materials that are not approved within this 10-day period are considered not approved. All advertising and promotions you place in any medium must be conducted professionally and must conform to our standards and requirements.

All marketing and promotion must be conducted in a professional and dignified manner and must conform to our specified standards and requirements. All marketing and promotional materials, including product identification materials, point-of-purchase promotional materials, promotion memorabilia, and merchandise and prizes, will either be provided for you, or be made available to you for purchase through us.

Advertising Cooperative

We have the right to authorize and establish local and regional advertising cooperatives (“Cooperative”). If a Cooperative is established for an area in which your Franchised Business is located, you must become a member of the Cooperative and participate in the Cooperative. Cooperative contributions will be maintained and administered under the Cooperative’s governing documents, and the Cooperative will be operated solely as a conduit for the collection and expenditure of advertising contributions. Contribution levels will be established by majority vote, with each iCode School or iCode Reach program entitled to one vote. We anticipate that franchisor-owned iCode School and iCode Reach programs will contribute to the fund on the same basis as franchisees.

As no Cooperatives have yet been established for the franchise system, governing documents are not available for your review. Once established, we may terminate and/or dissolve the Cooperative at any time. The Cooperative will not be terminated, however, until all monies in the Cooperative have been expended for authorized purposes or returned to contributing iCode School or iCode Reach programs (whether franchised or company or affiliate-owned), without interest, on the basis determined by a majority vote of its members.

Computer System

You must obtain, install, and use, at your expense, the computer hardware, software, online services, and communications links that we specify periodically in the Manual. The approved system currently consists of equipment including Apple iMacs or all-in-one PCs, Laptops, Gaming PC’s, Raspberry Pi’s, iPads, and 3D Printers. To operate the Franchised Business, you will need a minimum Internet connection of 300 mbps download and 100 mbps upload and a firewall. Estimated costs for both the computer and IT systems is between \$30,000 and \$60,000 for the iCode School Program and between \$20,000 and \$40,000 for the Reach program. We anticipate that the cost you will incur for any optional or required maintenance updating, upgrading, or support contracts for the point-of-sale or computer systems will be approximately \$5,000 per year.

You must upgrade or update your computer as is necessary to use our required software applications and support our educational programs. There is no contractual limitation on the frequency or cost of these

obligations, but it is generally expected that desktop computers be replaced every five years and that laptop computers be replaced every three to four years.

We will have independent access to the information and data on your learning management software, including your customer and customer enrollment and billing information. There are no contractual limitations to our right to access this information. Except as described above, neither we, our affiliate, nor any third parties have any obligation to provide ongoing maintenance, repairs, upgrades, or updates to your computer system or other computer equipment.

Training Program

Before you begin operating the Franchised Business, you (or your Operating Principal, if the franchisee is a business entity) and your Director must complete our initial training program to our satisfaction. If, however, you are an existing franchisee acquiring a second or additional franchise and you (or your Operating Principal) previously satisfied our initial training requirements, you will not be required to attend initial training again, unless we determine that additional training is necessary in our sole discretion.

Our initial training program is conducted over a one-week period on a monthly basis at the iCode offices located in Frisco, Texas, or such other location we may designate which may be another physical or virtual location at our discretion. The initial training program is conducted under the supervision of our Chief Executive Officer, Abid Abedi. Mr. Abedi founded iCode in 2015 and possesses over 12 years of experience in the franchising industry.

Training at our corporate office will be facilitated by our Director of Training, who will possess minimum of three to five years of experience in teaching and education. Onsite training once your location opens will be scheduled on an as-needed basis. We may designate any other individual to conduct the training, provided that such person will have at least one year of industry experience.

Instructional materials consist of the Manual, other manuals, vendor information, and product specifications. We provide instructors and training materials at no charge. The subjects covered and other information relevant to our initial training program are described below.

INITIAL TRAINING PROGRAM – ICODE SCHOOL PROGRAM

Subject	Hours of Classroom Training	Hours of Training On-The-Job	Location
Programs & Curriculum	4-6	Varies	iCode Corporate Office in Frisco, TX or any other physical or virtual location we designate
Classroom Facilitation & Management	1-2	Varies	iCode Corporate Office in Frisco, TX or any other physical or virtual location we designate
Campus Operations	2-3	Varies	iCode Corporate Office in Frisco, TX or any other physical or virtual location we designate
Sales & Customer Service	4-6	Varies	iCode Corporate Office in Frisco, TX or any other

Subject	Hours of Classroom Training	Hours of Training On-The-Job	Location
			physical or virtual location we designate
Building Community Partnerships	4-6	Varies	iCode Corporate Office in Frisco, TX or any other physical or virtual location we designate
Hiring Policies & Procedures	2-3	Varies	iCode Corporate Office in Frisco, TX or any other physical or virtual location we designate
Marketing & Advertising	3-4	Varies	iCode Corporate Office in Frisco, TX or any other physical or virtual location we designate
Student Enrollments / Learning Management Software	5-6	Varies	iCode Corporate Office in Frisco, TX or any other physical or virtual location we designate
Total	25-36		

If you operate under the iCode School program, your Operating Principal must complete the initial training program to our satisfaction at least 60 days before you begin offering classes.

INITIAL TRAINING PROGRAM – ICODE REACH PROGRAM

Subject	Hours of Classroom Training	Hours of Training On-The-Job	Location
Programs & Curriculum	4-6	Varies	iCode Corporate Office in Frisco, TX or any other physical or virtual location we designate
Classroom Facilitation & Management	1-2	Varies	iCode Corporate Office in Frisco, TX or any other physical or virtual location we designate
Sales & Customer Service	4-6	Varies	iCode Corporate Office in Frisco, TX or any other physical or virtual location we designate
Building Community Partnerships	4-6	Varies	iCode Corporate Office in Frisco, TX or any other

Subject	Hours of Classroom Training	Hours of Training On-The-Job	Location
			physical or virtual location we designate
Hiring Policies & Procedures	2-3	Varies	iCode Corporate Office in Frisco, TX or any other physical or virtual location we designate
Marketing & Advertising	3-4	Varies	iCode Corporate Office in Frisco, TX or any other physical or virtual location we designate
Student Enrollments / Learning Management Software	5-6	Varies	iCode Corporate Office in Frisco, TX or any other physical or virtual location we designate
Total	23-33		

If you operate under the iCode Reach program, your Operating Principal and Director must complete the initial training program to our satisfaction at least 30 days before you begin offering classes.

We currently require your instructors to attend an ongoing monthly virtual training. From time to time, we may determine that additional training is necessary for your Director or iCode School management personnel. If this occurs, these individuals must attend additional training that we may reasonably require and we reserve the right to charge you a reasonable tuition (i.e., an amount sufficient to cover our costs) for providing such additional training. It is your responsibility to ensure that all of your instructors and employees are properly trained to ensure that our systems and standards are followed.

Site Selection and Opening – iCode School Program

When you sign the Franchise Agreement, we will agree on a “Site Selection Area.” Our approved real estate service will represent you with demographic profiling, market search, site selection, lease negotiations, and full lease execution. You must propose a site for the iCode School within the Site Selection Area no later than 180 days after the execution of the Franchise Agreement. We will have 15 days after receipt of all required information and materials to approve or disapprove the proposed site for the iCode School, in our sole discretion. The criteria that we use to evaluate the site include general location and neighborhood, proximity to local public, private, and charter schools, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms. We generally do not own the iCode School premises or lease the iCode School premises to you.

The typical length of time between signing the Franchise Agreement and opening for business ranges from six to eight months for an iCode School. Factors which may affect the length of time between signing the Franchise Agreement and opening for business include the time necessary to find a location, to negotiate a lease, to obtain required financing, to obtain permits and license, to complete construction and leasehold improvements, to complete our initial training program, and to adequately train your personnel.

If the iCode School is not open for business within one year after the Franchise Agreement is signed, we may terminate the Franchise Agreement. We are not obligated to provide assistance with providing necessary equipment, signs, fixtures, opening inventory, and supplies, and we do not deliver or install these items. However, you must comply with our written specifications for these items. We are not obligated to

provide you with assistance in conforming the premises to local ordinances and building codes, obtaining any required permit, or constructing, remodeling, or decorating the premises, or hiring and training employees.

If you sign our Area Development Agreement, we will approve the location for your first School in accordance with our Franchise Agreement attached to this disclosure document as Exhibit D. We will approve the location for your second and each additional School in accordance with our then-current franchise agreement and our then-current criteria.

Site Selection and Opening – iCode Reach Program

When you sign the Franchise Agreement, we will mutually agree on the “Protected Area” in which you may provide services. See Item 12 below for more details on the Protected Area for your iCode Reach Program. We anticipate that you will begin operating the Franchised Business within 60 days after signing the Franchise Agreement. If you do not begin operating within 90 days after signing the Franchise Agreement, we may terminate the Franchise Agreement. Factors which may affect the length of time between signing the Franchise Agreement and opening for business include the time necessary to obtain required financing, to obtain necessary equipment and supplies, to find and negotiate the purchase or lease of a company vehicle, to complete our initial training program, and to adequately train your personnel (if any).

You must lease or purchase a company vehicle for the Franchised Business. You must install a vehicle wrap and decal in accordance with our standards and specifications. If you do not acquire a vehicle and complete the required improvements within 90 days after signing the Franchise Agreement, we may terminate the Franchise Agreement.

ITEM 12 TERRITORY

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

Franchise Agreement – iCode School Program

The Franchise Agreement grants to you the right to operate an iCode School at a location you select and that we approve within your Site Selection Area. You must select a site from within the non-exclusive Site Selection Area as identified in the Franchise Agreement. You will operate the iCode School at a location that you have selected and that we have accepted as meeting our minimum site selection criteria. We will consent to relocation if your lease expires or terminates through no fault of yours, or if the iCode School premise is destroyed or materially damaged by fire, flood, or other natural catastrophe and you are not in default of the franchise agreement or any other agreement with us. If applicable and if approved, you must reimburse us our costs associated with review and approval of your new location or actual costs associated with your iCode School re-location.

Upon execution of the Franchise Agreement, we will identify an area in which your iCode School will be located and this will be your “Protected Area.” Your Protected Area may be defined as a specified radius, map or cross streets aligned on a circular parameter. The minimum Protected Area may be as small as an office or retail building for your iCode School in densely populated, urban areas, and will likely be larger in suburban, less populated areas. A typical Protected Area is three miles, depending on factors such as potential student population, income levels, home values, population growth, and other factors as we determine in our sole discretion.

During the franchise term, neither we nor our affiliate will operate or grant anyone but you the right to operate an iCode School in the Protected Area, and neither we nor our affiliate will provide or grant anyone but you the right to provide in-person STEAM-based classes in your Protected Area.

We and other franchisees may advertise and market the availability of online iCode services without geographic limitation, which may result in another iCode School or business enrolling students who live in the Protected Area. We and our affiliates also have the right to offer programs and may solicit enrollment online or through partnerships with schools, STEM/STEAM centers, corporations, and other organizations. Some of these locations may be in your Protected Area, and some students may live or go to school in your Protected Area. We are not required to pay you any compensation for soliciting or admitting students in your Protected Area.

We and our affiliates have the right to operate and franchise the operation of businesses offering similar or related services under a different trademark, but we currently do not and have no current plans to do so. We also have the right to distribute products, such as books, robotics, course materials, and games, through alternate channels of distribution, such as online sales and retail locations which may be within your Protected Area. We are not required to pay you any compensation on account of sales made in your Protected Area. Your Franchised Business' activities are confined to retail transactions only. You may not enter into any wholesale transactions without first obtaining our written consent. A "wholesale" transaction means any sale of five or more products or services (regardless of stage of completion) to a customer whose purpose is to, in turn, offer such products or services for resale to a third-party. Conducting wholesale transactions without our prior written approval is a material breach of the franchise agreement, for which we may terminate the franchise agreement without an opportunity to cure.

During the franchise term, you may advertise and market the Franchised Business outside the Protected Area only with our prior written consent, which may be withheld at our discretion but may only provide services at the iCode School premises and at public, private, and charter schools, STEM/STEAM centers, churches, libraries, and similar venues within your Protected Area. You may provide services at other types of venues only with our prior written consent. You may not distribute products and services through alternate channels of distribution. This means that you may not, among other things, sell products or services through online or retail channels, or post or stream educational live videos on video hosting sites such as YouTube, or on a private website.

You may market and advertise the Franchised Business and solicit customers only in the Protected Area, and outside the Protected Area with our prior written consent, which may be withheld at our discretion and only in accordance with our guidelines (which may require you to offer neighboring franchisees the opportunity to participate in the advertising), however, you may not advertise or market in other franchisee's territory.

Continuation of your territorial protection does not depend on your achieving a certain sales volume, market penetration, or other contingency. The boundaries of your Protected Area may be changed only by mutual written consent of the parties during the franchise term but may be changed upon renewal. We do not offer any options, rights of first refusal or similar rights to acquire additional franchises, except according to an executed Area Development Agreement as described below.

Area Development Agreement – iCode School Program

The Area Development Agreement gives you the right to develop multiple iCode Schools within a defined geographic area ("Development Area") according to a mutually agreed to timetable ("Development Schedule).

During the terms of the Area Development Agreement, neither we nor our affiliate will operate or grant anyone but you the right to operate an iCode School in the Development Area, and neither we nor our affiliate will provide or grant anyone but you the right to provide in-person STEAM-based classes in the Development Area.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We and other franchisees may advertise and market the availability of online iCode services, without geographic

limitation, which may result in another iCode School or business enrolling students who live in the Development Area. We and our affiliates also have the right to offer online STEAM-based classes and may solicit enrollment online or through partnerships with schools, STEM/STEAM centers, corporations, and other organizations. Some of these locations may be in your Development Area, and some students may live or go to school in your Development Area. We are not required to pay you any compensation for soliciting or admitting students in your Development Area.

Continuation of your territorial protection does not depend on your achieving a certain sales volume or market contingency, but if you fail to meet any of your obligations under the Area Development Agreement, including the development obligations, we may (1) terminate or modify any territorial protections granted to you, (2) reduce the size of the Development Area, or (3) reduce the number of Schools which you may establish under the Development Schedule. There are no other circumstances that permit us to modify your territorial rights under the development agreement. After the expiration of the term of your area development agreement, we may own, operate, franchise, or license others to operate additional iCode Schools inside and outside your Development Area. Other than as stated the boundaries of the Development Area may be changed only by mutual written consent of the parties.

Franchise Agreement – iCode Reach Program

The Franchise Agreement grants you the right to offer and provide mobile STEAM-based educational courses at public, private, and charter schools, STEM/STEAM centers, churches, libraries, and similar venues located within a “Protected Area,” the boundaries of which will be mutually agreed upon before you sign the Franchise Agreement. The Protected Area will be identified on the Franchise Agreement’s “Summary Page,” and may be identified in terms of geographical or political boundaries with minimum population of 250,000 and approximately eight feeder schools (i.e. elementary, middle school, jr. high school). Unless otherwise agreed by you and us in writing the Protected Area granted for the iCode Reach Program will not exceed 25 miles. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

During the franchise term, neither we nor our affiliate will operate or grant anyone but you the right to operate an iCode School, and neither we nor our affiliate will provide or grant anyone but you the right to provide in-person STEAM-based classes in your Protected Area.

We and other franchisees may advertise and market the availability of iCode services, without geographic limitation, which may result in another iCode School or business enrolling students who live in the Protected Area. We and our affiliates also have the right to offer online STEAM-based classes and may solicit enrollment online or through partnerships with schools, STEM/STEAM centers, corporations, and other organizations. Some of these locations may be in your Protected Area, and some students may live or go to school in your Protected Area. We are not required to pay you any compensation for soliciting or admitting students in your Protected Area.

We and our affiliates have the right to operate and franchise the operation of businesses offering similar or related services under a different trademark, but we currently do not and have no current plans to do so. We also have the right to distribute products, such as books, robotics, course materials, and games, through alternate channels of distribution, such as online sales. We are not required to pay you any compensation on account of sales made in your Protected Area.

During the franchise term, you may advertise and market the Franchised Business outside the Protected Area only with our prior written consent, which may be withheld at our discretion, but may only provide services at the iCode School premises and at public, private, and charter schools, STEM/STEAM centers, churches, libraries, and similar venues within your Protected Area. You may provide services at other types of venues only with our prior written consent. You may not distribute products and services through alternate channels of distribution. This means that you may not, among other things, sell products or




services through online or retail channels, or post or stream educational live videos on video hosting sites such as YouTube, or on a private website.

You may market and advertise the Franchised Business and solicit customers only in the Protected Area, and outside the Protected Area with our prior written consent, which may be withheld at our discretion and only in accordance with our guidelines (which may require you to offer neighboring franchisees the opportunity to participate in the advertising), however, you may not advertise or market in other franchisee’s territory.

Continuation of your territorial protection does not depend on your achieving a certain sales volume, market penetration, or other contingency. The boundaries of your Protected Area may be changed only by mutual written consent of the parties during the franchise term but may be changed upon renewal. We do not offer any options, rights of first refusal or similar rights to acquire additional franchises, except according to an Area Development Agreement as described below.

ITEM 13 TRADEMARKS

ICP owns and has registered the following Marks on the Principal Register of the U.S. Patent and Trademark Office (“USPTO”). All required affidavits and renewals have been filed.

Mark	Registration Number	Registration Date	International Class
ICODE (Standard Character Mark)	4856931	November 17, 2015	041
	6130031	August 18, 2020	041
EMPOWERING FUTURE INNOVATORS (Standard Character Mark)	5780829	June 18, 2019	041
	5896134	October 29, 2019	041
	7179537	October 3, 2023	041

ICP has applied to register the following Mark(s) on the Principal Register of the USPTO. This application was filed based on actual use.

Mark ¹	Serial Number	Application Date	International Class
Programmer Pack	97913261	April 28, 2023	016, 041
iCode Technologies	98003120	May 18, 2023	041

Mark¹	Serial Number	Application Date	International Class
Gamified Learning	98061412	June 27, 2023	041

We do not have federal registration for the marks in the above table. Therefore, these trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

ICP has granted us a perpetual license to use the Marks for purposes of franchising and operating iCode businesses. ICP may terminate this agreement on account of our material breach, in which case ICP has an option to assume all Franchise Agreements to which we are a party. In the event that ICP terminates the licensing agreement with the franchisor but does not assume the Franchise Agreements, you must stop using the Marks or any part or derivative of the Marks. We have the right to designate new, modified and/or replacement Marks for your use and to require you to use the new, modified or replacement Marks in addition to or in lieu of any previously designated Marks. Except for this license agreement, there are no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you.

We know of no superior prior rights or infringing use that could materially affect your use of the Marks. There is no presently effective determination of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which is relevant to their ownership, use, or licensing.

You may use only the Marks that we designate, must use them only in the manner that we authorize and permit, and must use them with the symbols, “®”, “™”, or “SM”, as appropriate. You may use the Marks only for the operation and promotion of the iCode School and only in the manner we prescribe. You are required to comply with our instructions in filing and maintaining trade name or fictitious name registrations. You may not contest ownership or validity of the Marks or any registration of the Marks or our right to use or to sublicense the use of the Marks. You must sign all documents that we require in order to protect the Marks and to maintain their validity and enforceability.

You may not use the Marks or any part of the Marks in your corporate name, and you may not use them to incur any obligation or indebtedness on our behalf. You may not use the Marks or any part or derivative of the Marks on the Internet, except as expressly permitted by us in writing. This prohibition includes use of the Marks or any derivative of the Marks as part of any URL or domain name, as well as their registration as part of any user name on any gaming website or social networking web site (such as Facebook, Instagram, or Twitter), whether or not such social media platform is used for commercial gain, or as part of any unauthorized email address.

You must immediately notify us of any infringement or challenge to your use of the Marks or claim by any person to any rights in any of the Marks. While not obligated to do so, we have the right to direct and control any administrative proceeding or litigation or other adjudicative proceeding involving the Marks, including any settlement of the proceeding. We or our affiliate has the right, but is not obligated, to take action against uses by others that may constitute infringement of the Marks. We will defend you against any third-party claim, suit, or demand arising out of your use of the Marks. If we determine that you have used the Marks properly, we will pay the cost of the defense, including the cost of any judgment or settlement. If we determine that you were using the Marks improperly, you must pay the cost of the defense, including the cost of any judgment or settlement. In regard to any litigation under your use of the Marks, you must sign all documents that we require and do all things that we consider necessary to carry out the defense or prosecution, which may include becoming a nominal party to any legal action. Unless the action is the result

of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket litigation costs in doing these acts.

We have the right to designate new, modified and/or replacement Marks for your use and to require you to use the new, modified or replacement Marks in addition to or in lieu of any previously designated Marks. You must comply with the directive, at your expense, within 60 days following your receipt of written notice of the change.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no registered patents, patents pending, or copyrights that are material to the franchise, but we claim copyright protection in many elements of the franchise system, including the content and design of our course curricula, our website, the design elements of our trademarks, and our advertising materials (“Copyrighted Works”).

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use, or licensing of the copyrights. You may not use any of our Copyrighted Works on the Internet without our written permission. This includes display of the Copyrighted Works on commercial websites, gaming websites, and social networking web sites (such as Facebook, Instagram, or Twitter).

You must immediately notify us of any infringement or challenge to your use of the Copyrighted Works or claim by any person to any rights in any of the Copyrighted Works. While not obligated to do so, we have the right to direct and control any administrative proceeding or litigation or other adjudicative proceeding involving the Copyrighted Works, including any settlement of the proceeding. We or our affiliate has the right, but is not obligated, to take action against uses by others that may constitute infringement of the Copyrighted Works. We will defend you against any third-party claim, suit, or demand arising out of your use of the Copyrighted Works. If we determine that you have used the Copyrighted Works properly, we will pay the cost of the defense, including the cost of any judgment or settlement. If we determine that you were using the Copyrighted Works improperly, you must pay the cost of the defense, including the cost of any judgment or settlement. In regard to any litigation under your use of the Copyrighted Works, you must sign all documents that we require and do all things that we consider necessary to carry out the defense or prosecution, which may include becoming a nominal party to any legal action. Unless the action is the result of your use of the Copyrighted Works in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket litigation costs in doing these acts.

We have the right to designate new, modified and/or replacement Copyrighted Works for your use and to require you to use the new, modified or replacement Copyrighted Works in addition to or in lieu of any previously designated Copyrighted Works. You must comply with the directive, at your expense, within 60 days following your receipt of written notice of the change.

As a franchisee, you also will have access to our proprietary and confidential information (“Confidential Information”). “Confidential Information” includes our proprietary curricula, teaching aids, and all instructional materials provided to you under the franchise agreement; Manual; all customer information; financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of their operation under the terms of the Area Development Agreement or Franchise Agreement, and all other information that we designate as “Confidential Information.” You must maintain the confidentiality of all Confidential Information.

If you or your principals develop any new concept, process, or improvement in the operation or promotion of the iCode School, you are required to promptly notify us and provide us with all necessary related information, without compensation. You and your principals acknowledge that any such concept, process, or improvement will become our property and we may use or disclose such information to other franchisees as we determine to be appropriate.

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

The Franchised Business must be supervised on-premises by an individual you designate, subject to our written consent, as your “Director,” who must devote full-time best efforts to the supervision and management of the Franchised Business. If your Operating Principal (defined below) will not serve as the Director, you must employ a full-time Director to oversee Franchised Business operations and he or she may not engage in any other business. Your Director must satisfy our training requirements and other standards, including successful completion of our initial training program. However, you and your Operating Principal remain ultimately responsible for the Director’s performance.

You must also designate an individual to serve as the “Operating Principal.” If you are an individual, you must perform all obligations of the Operating Principal. If you are a corporation, limited liability company, partnership, or other entity, the Operating Principal must (i) own at least 51% of the ownership interest in the franchisee entity and (ii) be entitled, under your governing documents, under any agreements among your Owners, and under applicable law, to act on your behalf and cause you to take or omit to take any action which you are required to take or omit to take. Except as may otherwise be provided, the Operating Principal’s interest in the franchise business entity must remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest, or purchase right or options. The Operating Principal may also serve as the Director.

In addition to the above requirements, the Operating Principal and any Director must meet our standards and criteria for such positions. You must notify us promptly if your Operating Principal or Director cannot continue to serve or no longer qualifies for his or her position. You will have 30 days from the date of the notice (or from any date that we independently determine these individuals no longer meet our standards) to take corrective action. During that 30-day period, you must provide for interim management of the iCode School’s operations in compliance with the Franchise Agreement.

You may also be required to retain such additional managers and other persons as we determine, in our sole discretion, are necessary for the operation and management of the iCode School. All such personnel must satisfy all of our training, educational, and other criteria.

If you are a business entity, each Owner must sign a Guaranty and Personal Undertaking substantially in the form attached as Attachment A to the Franchise Agreement. Franchisee’s or Owners’ spouses are not required to sign a Guaranty and Personal Undertaking. Each Owner and Director must sign a confidentiality and non-compete agreement substantially in the form attached as Attachment C to the Franchise Agreement.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer all courses and services that we require, and may offer and sell only those courses, services, events, and products that we have approved. Any additional courses or services you wish to offer or sell must be pre-approved by us in writing and we retain the right to approve or disprove all courses, services, events, and products that you sell. From time to time, we may experiment with or develop new courses, products, methods or services that may be added to the courses you are required to offer. We may also add, eliminate or modify the use of certain pre-approved courses, services, events, products, and approved vendors. There is no contractual limitation on our right to make these changes. All courses, services, events,

and products may be provided only by properly trained personnel strictly according to our Standards, techniques, and processes.

You may use the Franchised Business premises solely for the operation of the Franchised Business and must maintain business hours as provided for in the Manual or as we may specify from time to time in writing. You may not use or permit the use of the iCode School premises for any other purpose or activity at any time without first obtaining our written consent. You may not cobrand with another concept, offer, utilize, or provide teaching or tutoring services, without our prior written consent. You may not sell or distribute iCode products or services to another vendor for resale, regardless of the destination, without our prior written consent. We have the right to add or modify authorized items and services that you must offer and may withdraw our approval of previously authorized items and services. There are no limits on our rights to make these changes.

You may provide authorized services at public or private educational facilities within your Protected Area and at other types of host locations with our prior written consent. You are not restricted as to the customers to whom you may sell products or services.

In addition, we may enter into agreements, periodically, with clients that we consider “Corporate Account Clients” (that is, clients that contract with us or with our affiliate for services at more than one location), that may require services in your Protected Area. If we offer you the right to provide services in the Protected Area, you will provide the services under the terms and conditions we have negotiated with the Corporate Account Client. If we receive payment directly from the Corporate Account Client for services that you have performed, we will deduct from the payment the amount of all fees and other payments that you owe to us, and remit to you the balance within a reasonable period of time following payment.

We have the right to establish maximum, minimum, or other retail pricing requirements to the extent permitted by law.

**ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP**

This table lists important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this disclosure document.

Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 2.1	10 years.
b. Renewal or extension of the term	Section 2.2	You may renew for another 10-year term.
c. Requirements for franchisee to renew or extend	Section 2.2	You may renew your franchise term for one additional 10-year term if you: provide notice, are in compliance with your franchise obligations, pay a renewal fee, remodel or refurbish the iCode School premises (iCode School only), have the right to remain in possession of the iCode School premises, and sign a general release in our favor. You must also sign the form of Franchise Agreement that

Provision	Section in Franchise Agreement	Summary
		we are offering to new franchisees at the time of renewal, which may contain materially different terms and conditions than the original franchise agreement.
d. Termination by franchisee	No provision	Not applicable. Subject to state law.
e. Termination by franchisor without cause	No provision	Not applicable.
f. Termination by franchisor with cause	Sections 15.1, 15.2, 15.3, and 15.4	We can terminate the Franchise Agreement for cause or on account of the for-cause termination of any other franchise agreement between you and us. If you sign an Area Development Agreement, termination of your Area Development Agreement does not give us the right to terminate your franchise agreement. However, if your franchise agreement is terminated, we have the right to terminate your Area Development Agreement.
g. "Cause" defined – curable defaults	Section 15.4	Failure to pay royalty and other fees, under-reporting Gross Sales, failure to pay rent, violation of guidelines, failure to make improvements, failure to follow procedures. Default of any other franchise agreement between you or your affiliate and us is a default under this Franchise Agreement.
h. "Cause" defined – non-curable defaults	Sections 15.1 and 15.3	Abandonment, bankruptcy filing, insolvency, loss of permit or license to operate, knowingly maintaining false books or records, trademark misuse, failure to successfully complete training, failure to open the Franchised Business by required opening date, failure to maintain right to Franchised Business premises, violation of confidentiality and non-competition covenants, fraud, felony or other crime, four or more curable defects within one year, regardless if these were subsequently corrected. Default and or termination of any other franchise agreement between you or your affiliate and us is a default under this Franchise Agreement.
i. Franchisee's obligations on termination/non-renewal	Articles 13 and 16 and Section 15.5	Comply with all indemnification and post term noncompete obligations. You must pay all monies owed, liquidated damages, any other damages to us, and enforcement costs, cease

Provision	Section in Franchise Agreement	Summary
		operation of the business, and refrain from representing yourself as a current or former franchisee. You must discontinue use of the Marks and deidentify your premises, discontinue use of any Copyrighted Works, Confidential Information, and Manual. You must sell to us the assets of your business if we exercise our option to purchase them. If you operate an iCode School, we have the right (but not the obligation) to assume your lease for the iCode School premises.
j. Assignment of contract by franchisor	Section 14.1	No restriction on our right to assign.
k. “Transfer” by franchisee – defined	Article 14	Includes transfer of contract or assets or ownership change.
l. Franchisor approval of transfer by franchisee	Article 14	We reserve the right to approve all transfers, but we will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 14.4	You must be in compliance with franchise agreement and all other agreements. New franchisee: must qualify, complete training, sign a new franchise agreement in our then-current form (provided, that the term of the new franchise agreement will be the remaining term of the existing franchise agreement), and refurbish the iCode School, as needed; sign a guaranty and a general release, pay the transfer fee, and all monetary obligations to us must be satisfied.
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section 14.2.2	We have the right of first refusal.
o. Franchisor’s option to purchase franchisee’s business	No provision	Not applicable.
p. Death or disability of franchisee	Section 14.3	We must be notified of death or disability, and who will manage location in interim. We may, but are not obligated to, manage your location in the interim.
q. Non-competition covenants during term of the franchise	Section 13.2	Neither you nor your Owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with any business that offers or provides STEAM-

Provision	Section in Franchise Agreement	Summary
		based educational courses or other services or products that are the same as or similar to those sold at iCode Schools and Reach programs in the U.S., its territories and commonwealths, and any other country, province, state, or geographic area in which we or our affiliates have used, sought registration of, or registered the Marks or similar Marks; no diversion of any present or prospective customer of ours to a competitor; no solicitation of our or any of our Affiliate’s management employees; and no opposition of governmental approvals required for the development of another iCode School.
r. Non-competition covenants after the franchise is terminated or expired	Section 13.3	<p>For the School program: Neither you nor your Owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in any business that offers or provides STEAM-based educational courses or other services or products that are the same as or substantially similar to those sold at iCode Schools and iCode Reach at the location of your former iCode School, or within 25 miles of your former iCode School or any other iCode School, or within another any iCode Reach franchisee’s Protected Area, for two years following the termination or expiration date.</p> <p>For the iCode Reach program: Neither you nor your Owner may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in any business that offers or provides STEAM-based educational courses or other services or products that are the same as or substantially similar to those sold at iCode Schools and iCode Reach inside or within 25 miles outside the perimeter of your Protected Area, or within 25 miles of any iCode School, or within another iCode Reach franchisee’s Protected Area for two years following the termination or expiration date.</p>
s. Modification of the agreement	Sections 18.1 and 18.2	Only in writing and signed by both parties.
t. Integration/merger clause	Section 18.1	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Nothing in the

Provision	Section in Franchise Agreement	Summary
		Franchise Agreement or in any related agreement, however, is intended to disclaim the representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 17.2	Claims, controversies, or disputes from or relating to the Area Development Agreement must be mediated, except for actions seeking injunctive relief and actions we bring which are related to or based on our Marks or Confidential Information. If the claims, controversies, or disputes are not resolved in mediation, they must be submitted for arbitration.
v. Choice of forum	Sections 17.2, 17.3, and 17.4	Mediation and arbitration at the AAA offices located in the city where our principal business office is located at the time mediation and/or arbitration occurs. Venue for any other proceeding is the courts in the county in which we maintain our principal business office (subject to applicable state law).
w. Choice of law	Section 17.1	Texas law applies without giving effect to any conflict of laws principles (subject to state law).

Area Development Agreement

Provision	Section in Area Development Agreement	Summary
a. Length of the term	Section 2.1	The period beginning on the effective date and ending on the earlier of: (i) the date on which you have completed your development obligations, or (ii) 12:00 midnight CST on the last day specified in the development schedule.
b. Renewal or extension of the term	No provision	Not applicable.
c. Requirements for developer to renew or extend	No provision	Not applicable.
d. Termination by developer	No provision	Not applicable. Subject to state law.
e. Termination by franchisor without cause	No provision	Not applicable.

Provision	Section in Area Development Agreement	Summary
f. Termination by franchisor with cause	Sections 9.1, 9.2., 9.3, 9.4, 9.5, and 9.6	We can terminate if you materially default under your Area Development Agreement, an individual Franchise Agreement, or any other agreement between you or your affiliate and us. Upon the death or permanent incapacity of an Owner, we may terminate if you fail to adhere to the applicable transfer requirements.
g. “Cause” defined – curable defaults	Sections 9.3, 9.4, and 9.6	You have 10 days to cure a failure to pay fees and 30 days to cure any other default, and in the case of a breach or default in the performance of your obligations under any Franchise Agreement or other agreement between you and us.
h. “Cause” defined – non-curable defaults	Sections 9.1 and 9.2	Non-curable defaults: unapproved transfers; failure to meet development obligation; any breach of confidentiality or unfair competition described in <u>Article 10</u> ; cross defaults, bankruptcy, foreclosure, insolvency, conviction of a felony, unapproved transfers, misrepresentations in your application, and/or repeated defaults, even if cured.
i. Developer’s obligation on termination/non-renewal	Sections 2.2 and 10.3	You will have no right to develop or operate additional iCode Schools which are not, at the time of termination, the subject of a then existing Franchise Agreement between you and us. You may continue to own and operate all iCode Schools under the terms and conditions of then existing Franchise Agreements.
j. Assignment of contract by franchisor	Section 8.1	No restrictions on our right to assign.
k. “Transfer” by developer – defined	Section 8.2, 8.3, and 8.4	Includes sale, assignment, conveyance, pledge, mortgage, license or other disposal or encumbrance of any direct or indirect interest in the area development agreement or you (if you are not a natural person). No shares of a developer which is a business entity may be offered for sale through the public offering of securities or by private offering.
l. Franchisor approval of transfer by developer	Section 8.2, 8.3, and 8.4	Any attempt to transfer controlling interest in your area development agreement will be a material default of your Area Development Agreement we have right to terminate the Area Development Agreement immediately

Provision	Section in Area Development Agreement	Summary
		upon a written notice to you. However, you may transfer interest in the Area Development Agreement that do not result in a change of control, subject to certain conditions described in the Area Development Agreement, with our written consent and you paying the applicable transfer fee and sign a general release.
m. Conditions for franchisor approval of transfer	Section 8.2, 8.3, and 8.4	<p>You may not transfer any Franchise Agreement signed under the Area Development Agreement without our prior written consent. You may not transfer nor assign your rights and controlling interest in the Area Development Agreement under any circumstances. Any attempt to transfer will be a material default of your Area Development Agreement subject to termination.</p> <p>You may transfer the rights to your Area Development Agreement to an entity you control for convenience purposes with our prior written consent and you must pay the applicable transfer fee and sign a general release.</p>
n. Franchisor’s right of first refusal to acquire developer’s business	Section 8.9	We may match any offer to purchase your business.
o. Franchisor’s option to purchase developer’s business	Section 8.9	We may match any offer to purchase your business.
p. Death or disability of Developer	Section 8.10	Same requirements as for a transfer in “m” above. If your interest is not transferred within six months following your (or an Owner’s) death or legal incapacity, your Area Development Agreement may be terminated.
q. Non-competition covenants during the term of the agreement	Section 10.1	Neither you nor your Owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with any business that offers or provides STEAM-based educational courses or other services or products that are the same as or substantially similar to those sold at iCode Schools and iCode Reach in the United States, its

Provision	Section in Area Development Agreement	Summary
		territories or commonwealths, or any other country, province, state or geographic area in which we or our affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks; no diversion of any present or prospective customer of ours to a competitor; no solicitation of our or any of our Affiliate's management employees; no opposition of governmental approvals required for the development of another iCode School.
r. Non-competition covenants after the agreement is terminated or expires	Section 10.2	Neither you nor your Owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in any business that offers or provides STEAM-based educational courses or other services or products that are the same as or substantially similar to those sold at iCode Schools and iCode Reach within the former development area, within 25 miles of the perimeter of the former development area, within a 25-mile radius of any other iCode School, or within an iCode Reach franchisee's Protected Area, for two years following expiration or termination.
s. Modification of the agreement	Sections 13.1 and 13.2	Must be in writing and signed by all parties.
t. Integration/merger clause	Section 13.1	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to applicable state law). Nothing in the Area Development Agreement or in any related agreement, however, is intended to disclaim the representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Sections 12.2 and 12.3	Claims, controversies, or disputes from or relating to the Area Development Agreement must be mediated, except for actions seeking injunctive relief and actions we bring which are related to or based on our Marks or Confidential Information.

Provision	Section in Area Development Agreement	Summary
		If the claims, controversies, or disputes are not resolved in mediation, they must be submitted for arbitration.
v. Choice of forum	Sections 12.2, 12.3, and 12.4	Mediation and arbitration at the AAA offices located in the city where our principal business office is located at the time mediation and/or arbitration occurs. Venue for any other proceeding is the courts in the county in which we maintain our principal business office (subject to applicable state law).
w. Choice of law	Section 12.1	Texas law applies without giving effect to any conflict of laws principles (subject to state law).

**ITEM 18
PUBLIC FIGURES**

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

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ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

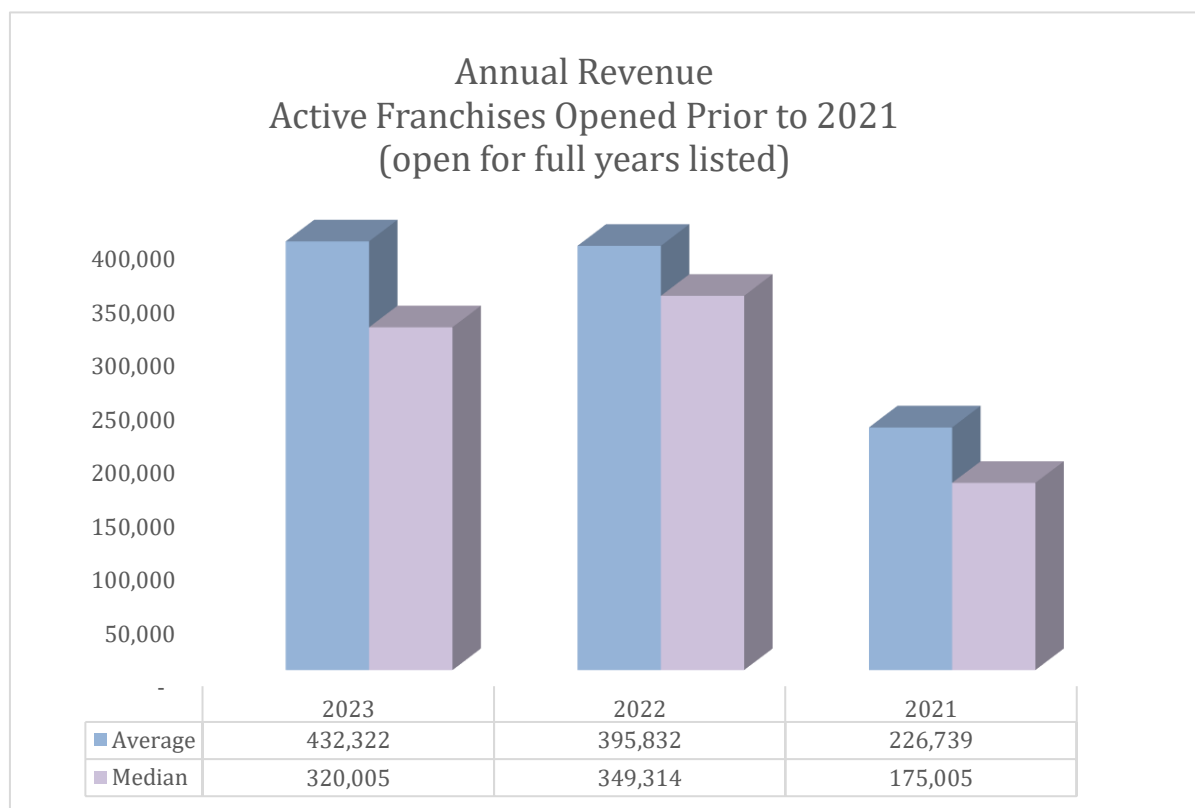
The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance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

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This financial performance representation discloses historical information regarding Gross Sales of iCode Schools.

Average and Median Gross Annual Sales by Year

The following charts reflect the historical average and median annual Gross Sales for the year 2021, 2022, and 2023 for iCode Schools franchised locations that began their operations prior to 2021 and operating as of December 31, 2023. The following chart only includes iCode Schools and does not include corporate store locations.



The following chart depicts the underlying data contained in the above chart.

	2023	2022	2021
Average Sales	\$ 432,322	\$ 395,832	\$ 226,739
Maximum Sales	\$ 320,005	\$ 349,314	\$ 175,005
Minimum Sales	\$ 928,349	\$ 661,114	\$ 424,002
Median Sales	\$ 265,261	\$ 274,925	\$ 165,014

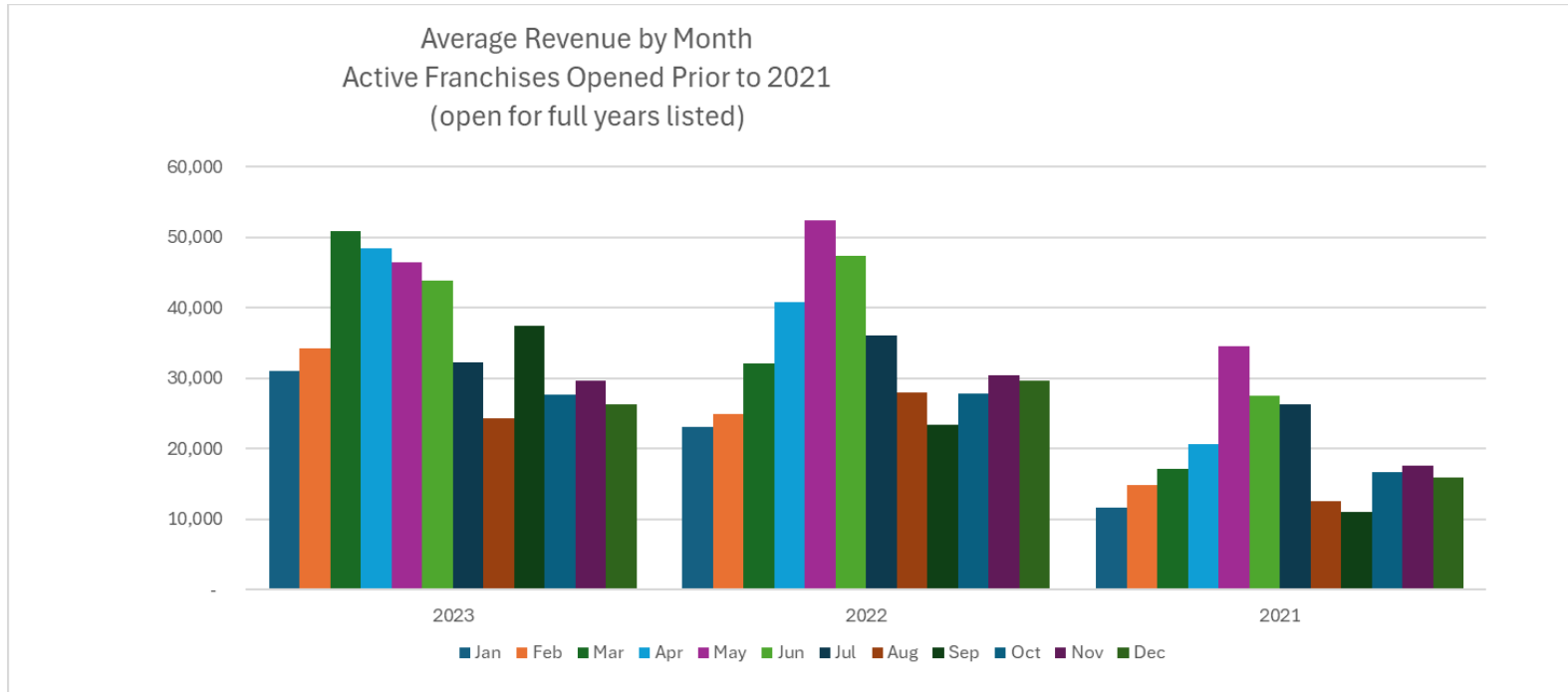
Note 1. “Gross Sales” means all tuition and events-related revenue and revenue received from the sale of products and services from the operation of the iCode School or Reach program (as applicable), and all other income of whatever nature or kind relating to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit; provided, that Gross Sales will not include any refunds, sales tax or other taxes that are collected and paid to the appropriate taxing authority.

Note 2. As of December 31, 2021 there were 16 iCode School franchised locations; however, six locations began their operations in the year 2021 and were omitted due to not operating for full 12 month measurement period. Additional four locations ceased operations and were not active as of December 31, 2023 and therefore omitted from the dataset above. As of December 31, 2023 six locations that began their operation prior to the year 2021 that were open and operating for the full calendar year of 2023, 2022, and 2021 are included in the dataset above.

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Average Gross Monthly Sales for iCode School franchisees that opened prior to 2021

The following charts reflect the historical average and median monthly Gross Sales for the year 2021, 2022, and 2023 for iCode Schools franchised locations that began their operations prior to 2021 and operating as of December 31, 2023. The following chart only includes iCode Schools. This financial representation does not include dataset from the iCode Reach Programs.



The following tables depict the underlying data contained in the above chart. These charts only reflect iCode Schools that are open as of December 31, 2023.

Opened:	Prior to 2021	open for full year											
Year 2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Average	\$ 31,033	\$ 34,190	\$ 50,873	\$ 48,395	\$ 46,425	\$ 43,785	\$ 32,206	\$ 24,302	\$ 37,481	\$ 27,667	\$ 29,721	\$ 26,247	\$ 432,322
Median	\$ 25,124	\$ 26,616	\$ 38,713	\$ 41,622	\$ 41,263	\$ 29,392	\$ 22,733	\$ 19,160	\$ 19,881	\$ 23,758	\$ 18,997	\$ 17,535	\$ 320,005
Maximum	\$ 57,093	\$ 63,480	\$ 115,682	\$ 78,475	\$ 75,253	\$ 126,523	\$ 66,053	\$ 57,272	\$ 93,611	\$ 44,342	\$ 85,429	\$ 65,136	\$ 928,349
Minimum	\$ 22,085	\$ 22,824	\$ 23,572	\$ 27,241	\$ 18,932	\$ 20,842	\$ 18,930	\$ 11,595	\$ 14,427	\$ 21,934	\$ 3,744	\$ 15,891	\$ 265,261

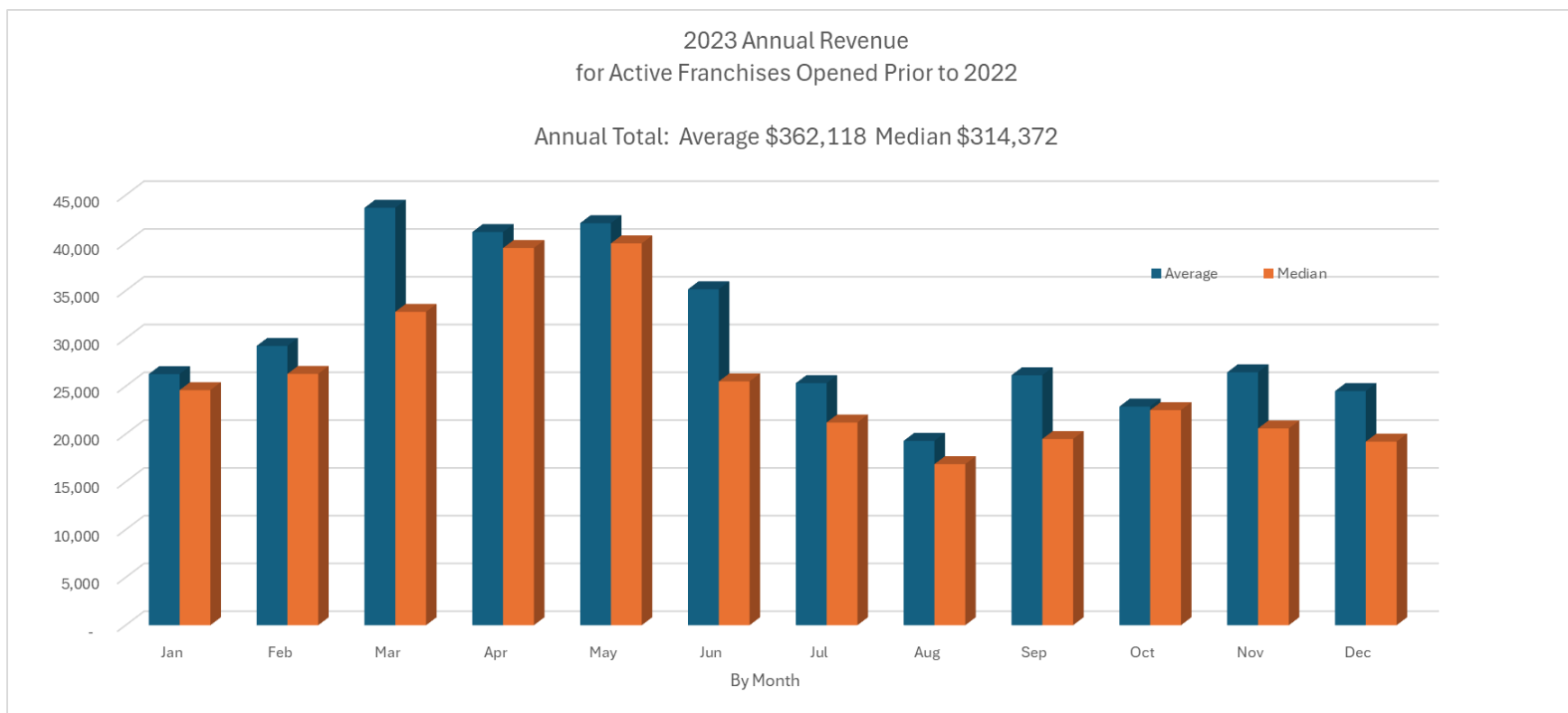
Opened:	Prior to 2021	open for full year											
Year 2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Average	\$ 23,081	\$ 24,888	\$ 32,055	\$ 40,793	\$ 52,331	\$ 47,366	\$ 36,009	\$ 28,010	\$ 23,356	\$ 27,809	\$ 30,427	\$ 29,708	\$ 395,832
Median	\$ 16,091	\$ 21,582	\$ 26,502	\$ 37,035	\$ 53,523	\$ 46,687	\$ 36,152	\$ 25,202	\$ 23,345	\$ 24,385	\$ 25,539	\$ 26,398	\$ 349,314
Maximum	\$ 44,603	\$ 47,823	\$ 59,838	\$ 61,093	\$ 68,435	\$ 70,144	\$ 40,098	\$ 62,753	\$ 48,917	\$ 65,297	\$ 62,742	\$ 52,702	\$ 661,114
Minimum	\$ 12,470	\$ 14,783	\$ 8,777	\$ 18,919	\$ 30,497	\$ 29,892	\$ 30,684	\$ 7,126	\$ 3,279	\$ 1,564	\$ 14,839	\$ 17,175	\$ 274,925

Opened:	Prior to 2021	open for full year											
Year 2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Average	\$ 11,672	\$ 14,837	\$ 17,157	\$ 20,718	\$ 34,606	\$ 27,569	\$ 26,220	\$ 12,575	\$ 11,075	\$ 16,733	\$ 17,664	\$ 15,912	\$ 226,739
Median	\$ 6,807	\$ 8,478	\$ 11,839	\$ 16,688	\$ 29,378	\$ 26,745	\$ 26,597	\$ 10,014	\$ 9,475	\$ 14,840	\$ 15,376	\$ 14,382	\$ 175,005
Maximum	\$ 27,199	\$ 37,795	\$ 44,182	\$ 43,961	\$ 69,092	\$ 35,500	\$ 33,904	\$ 30,716	\$ 16,111	\$ 32,451	\$ 34,799	\$ 33,089	\$ 424,002
Minimum	\$ 1,927	\$ 3,802	\$ 7,242	\$ 9,624	\$ 20,490	\$ 20,505	\$ 18,243	\$ 2,850	\$ 8,664	\$ 10,483	\$ 9,884	\$ 998	\$ 165,014

Average Gross Monthly Sales for iCode School franchisees that opened prior to 2022

The following charts reflect the historical average monthly Gross Sales data for the year 2023 for franchised iCode Schools still in operation as of December 31, 2023 that began their operation prior to the year 2022. The following chart only includes iCode Schools. This financial representation does not include dataset from the iCode Reach Programs.

AVERAGE & MEDIAN SALES in 2023 for Year and by Month - Open Prior to 2022



The following table depict the underlying data contained in the above chart.

	Opened: Prior to 2022 open for full year												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023 Average	\$ 26,274	\$ 29,221	\$ 43,671	\$ 41,136	\$ 42,067	\$ 35,148	\$ 25,326	\$ 19,290	\$ 26,157	\$ 22,872	\$ 26,459	\$ 24,497	\$ 362,118
2023 Median	\$ 24,593	\$ 26,294	\$ 32,789	\$ 39,466	\$ 39,953	\$ 25,506	\$ 21,211	\$ 16,853	\$ 19,480	\$ 22,500	\$ 20,584	\$ 19,210	\$ 314,372
2023 Maximum	\$ 57,093	\$ 63,480	\$ 115,682	\$ 78,475	\$ 75,253	\$ 126,523	\$ 66,053	\$ 57,272	\$ 93,611	\$ 44,342	\$ 85,429	\$ 65,136	\$ 928,349
2023 Minimum	\$ 12,302	\$ 19,056	\$ 23,572	\$ 21,023	\$ 18,932	\$ 18,043	\$ 13,525	\$ 5,566	\$ 8,478	\$ 12,763	\$ 3,744	\$ 15,735	\$ 216,949

Note 1. As of December 31, 2022 there were 29 iCode School franchised locations that were open and operating; however, 13 locations began their operations in the year 2022 and were omitted due to not operating for the full 12 month measurement period. Three locations ceased operations and were not active as of December 31, 2023 and one additional location had a change in franchisee ownership and therefore these four locations were omitted from the dataset above. As of December 31, 2023, 12 locations that began their operation prior to the year 2022 that were open and operating for the full calendar year of 2023 are included in the dataset above.

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

Your Franchised Business will be directly affected by a number of factors including costs as it relates to third party supplies, inflation, supply and demand of specific products needed for operation of your Franchised Business. Therefore, you should use this data only as a reference to help you conduct your own analysis.

Written substantiation of the data used in preparing this financial performance representation will be made available to prospective franchisees on reasonable request.

Other than the above financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Abid Abedi, iCode Franchise, Inc., 4577 Ohio Drive, Frisco, Texas 75035, 469-305-0592, the Federal Trade Commission, and the appropriate state regulatory agencies.

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**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NO. 1
Systemwide Outlet Summary
For Years 2021 to 2023**

Outlet Type¹	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	10	16	+6
	2022	16	29	+13
	2023	29	44	+15
Company-Affiliated	2021	4	3	-1
	2022	3	2	-1
	2023	2	2	0
Total Outlets	2021	14	19	+5
	2022	19	31	+12
	2023	31	46	+15

¹As of December 31, 2023, one iCode Reach franchise is open and operating and one iCode Reach franchise awarded is not opened.

**TABLE NO. 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Years 2021 to 2023**

State	Year	Number of Transfers
Arizona	2021	0
	2022	1
	2023	0
Texas	2021	0
	2022	1
	2023	1
Washington	2021	0
	2022	0
	2023	1
Total	2021	0
	2022	1
	2023	2

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

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Arizona	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	3	0	0	0	0	4
Arkansas	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
California	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Connecticut	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Colorado	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Florida	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Georgia	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Idaho	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Indiana	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Maryland	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Massachusetts	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Michigan	2021	0	2	0	0	0	1	1
	2022	1	1	0	0	0	0	2
	2023	2	2	0	0	0	0	4
New Jersey	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2

	2023	2	0	0	0	0	0	2
New York	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
North Carolina	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Oklahoma	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Tennessee	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Texas	2021	7	3	0	0	0	0	10
	2022	10	7	0	0	0	4	13
	2023	13	1	0	0	0	0	14
Virginia	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Washington	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Total	2021	10	7	0	0	0	1	16
	2022	16	17	0	0	0	4	29
	2023	29	15	0	0	0	0	44

TABLE NO. 4
Status of Company-Owned Outlets
For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Texas	2021	4	0	0	1	0	3
	2022	3	0	0	0	1	2
	2023	2	0	0	0	0	2
Total	2021	4	0	0	1	0	3
	2022	3	0	0	0	1	2
	2023	2	0	0	0	0	2

TABLE NO. 5
Projected Openings as of December 31, 2023

State	Franchise Agreement Signed but Outlet not Opened	Projected New Franchised Outlet in the next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	1	1	0
California	5	5	0
Colorado	1	1	0
Florida	1	1	0
Illinois	1	1	0
Maryland	6	1	0
Massachusetts	1	1	0
Ohio	1	1	0
Oklahoma	1	1	0
South Carolina	1	1	0
North Carolina	2	2	0
Texas	3	3	0
Washington	1	1	0
Moka, Republic of Mauritius	1	0	0
Total	26	20	0

Attached to this disclosure document as Exhibit E is a list of our current franchisees and a list of our former franchisees, if any. Exhibit E also contains the name, city, state, and current business telephone number (or, if unknown, the last known home telephone number or e-mail address) of franchisees who left the system during the last fiscal year ending on December 31, 2023, or has not communicated with us within 10 weeks of the franchise disclosure document issuance date.

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

No franchisees have signed confidentiality agreements during the last three years. Currently, there are no trademark specific franchisee associations.

ITEM 21 FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit A are financial statements comprised of:

1. Our unaudited balance sheet as of April 30, 2024 and related unaudited Income Statement for the four months ending April 30, 2024; and
2. Our audited balance sheet as of December 31, 2023, 2022, 2021 and related statement of operations, cash flows, and member's equity for the period then ended.

Our fiscal year ends December 31st.

ITEM 22
CONTRACTS

Attached to this disclosure document are the following contracts:

Attached as Exhibit C is our current form of Area Development Agreement and attachments

Attached as Exhibit D is our current form of Franchise Agreement and attachments

Attached as Exhibit G is a copy of our general release language

ITEM 23
RECEIPT

Attached as Exhibit J are detachable duplicate Receipts. Please sign and date both copies of the Receipt. Keep one signed copy of the Receipt for your file and return to us the other signed copy of the Receipt. The Receipt contains the names of our franchise sellers or brokers.

STATE-SPECIFIC DISCLOSURES

FOR THE STATE OF CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

Item 3 is supplemented by the following:

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

Item 17 is supplemented by the following:

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

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

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

The franchise agreement requires binding arbitration. The arbitration will occur in the city where the franchisor's principal place of business is located at the time of the arbitration, currently Frisco, Texas. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the law of Texas. This provision may not be enforceable under California law.

The Franchise Agreement and Development Agreement contain a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

No statement, questionnaire, or acknowledgement 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 with the franchise.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker, or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

The franchisor will not enforce in California the prohibition on franchisee employing or soliciting for employment any current or former employee of franchisor or its affiliates (also known as a no-poach/non-solicitation provision) in section 13.2 of the Franchise Agreement that is disclosed in Item 17, row q.

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

FOR THE STATE OF ILLINOIS

The following is added to the Disclosure Document for Illinois residents:

1. Item 5 is amended by the following:

Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to Franchisee, and Franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to the Franchisor's financial condition.

2. Notwithstanding the provisions of the Franchise Agreement and the Development Agreement that Texas law shall govern, Illinois law shall apply to and govern any claim between the parties under the Franchise Agreement or the Development Agreement that alleges violation of the Illinois Franchise Disclosure Act.

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

4. Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. 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.

The conditions under which your franchise can be terminated and your rights on renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

No statement, questionnaire, or acknowledgement 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 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.

FOR THE STATE OF MARYLAND

1. Item 5 is supplemented by the following:

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 information supplements Item 11:

We intend to raise funds for advertising through the collection of marketing fees, which may be supplemented by our general operating revenue. Although advertising payments are not earmarked for a particular purpose, we intend to spend commensurate funds for marketing and advertising-related purposes, with an emphasis on online marketing and social media activity. During our fiscal year ended December 31, 2019, no marketing fees had yet been collected. During our fiscal year ending December 31, 2023, we spent approximately 34% of our advertising dollars on production, 39% on media and creative placement, and 27% on administrative expenses. No advertising dollars were used to solicit new franchise sales but they may be used for such purpose in the future. There

is currently no advertising fund and, therefore, the franchisees are not required to contribute to any advertising fund at this time. Other franchisees may pay advertising fees at varying rates and amounts. Upon your reasonable request, we will provide you an unaudited statement of collected marketing fees and our marketing and advertising-related expenditures. We will consider your request reasonable if you have given us at least five days' notice.

3. For each table included in Item 17 of the Franchise Disclosure Document, the “**Summary**” sections of Item 17(c) and 17(l) are amended by adding the following:

The Code of Maryland Regulations, COMAR 02.02.08.16L., states that a general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. This may affect the enforceability of certain provisions in the Franchise Agreement relating to renewal, sale, assignment or transfer of the Franchise Agreement.

4. Item 17 is supplemented by adding the following language to the end of the “**Summary**” section of Item 17(f) (Termination by franchisor with cause):

A provision in the Franchise Agreement that provides for termination on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. For each table included in Item 17 of the Franchise Disclosure Document, the “**Summary**” section of Item 17(h) is amended by adding the following:

A provision in the Franchise Agreement that provides for termination on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

6. For each table included in Item 17 of the Franchise Disclosure Document, the “**Summary**” section of Item 17(v) is amended by adding the following:

You may sue us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

7. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Any provisions of the Franchise Agreement which requires a prospective franchisee to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase a franchise 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.

8. No statement, questionnaire, or acknowledgement 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 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.

FOR THE STATE OF MINNESOTA

Item 5 is supplemented by the following:

Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to Franchisee, and Franchisee has commenced doing business.

The following sentence supplements Item 13:

Pursuant to Minnesota Stat. §80C.21, Subj. 1(g), we are required to protect any rights which you have to use our proprietary marks.

Item 17 of the Franchise Disclosure Document is supplemented by the following:

Minnesota Stat. Sec. 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that (1) a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot be required to consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400(J). Also, a court will determine if a bond is required.

The Limitation of Claims section must comply with Minnesota Stat. Sec. 80C.17, Subd. 5.

No statement, questionnaire, or acknowledgement 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 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.

FOR THE STATE OF NEW YORK.

1. The following information is added to the cover page of the franchise disclosure document:

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

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

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.
 - B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
 - C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.
 - D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.
3. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

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

- 4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”.

You may terminate the agreement on any grounds available by law.

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

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

Franchise 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 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.

Receipts. Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a

franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

FOR THE COMMONWEALTH OF VIRGINIA

1. Item 5 is supplemented by the following:
2. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement.
3. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17.h. of the Franchise Disclosure Document is supplemented by the following:
"Under 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 or the Development 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."
4. The following paragraph is added to the disclosure document:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

No statement, questionnaire, or acknowledgement 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 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.

FOR THE STATE OF WASHINGTON

The following is added to the Disclosure Document for Washington residents:

Item 5 is amended by the following language:

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business. Because Franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens under the Area Development Agreement, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and until Franchisor has met all its pre-opening obligations under the Agreement and Franchisee is open for business with respect to each such location.

Item 17, Additional Disclosures

1. RCW § 19.100.180 and court decisions may supersede the Franchise Agreement or Development Agreement in your relationship with us, including in the areas of termination and renewal of your Franchise Agreement or Development Agreement.
2. In the event of a conflict between the Washington Franchise Investment Protection Act and the law chosen in the Franchise Agreement or Development Agreement, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, will prevail.

3. A release or waiver of rights executed by a franchisee will not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder, except when executed pursuant to a negotiated settlement after the agreement is in effect, and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Washington Franchise Investment Protection Act, such as a right to a jury trial, may not be enforceable in Washington.
4. Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.
5. In any arbitration or mediation involving a franchise purchased in Washington, the site thereof shall be either in the state of Washington, or in a place mutually agreed upon at that time, or as determined by the arbitrator or mediator, as applicable at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement and/or development agreement, a franchisee may bring an action or proceeding arising out of or in connect with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
6. Except as noted above, execution of a general release for any other purpose is subject to state law.
7. Franchisee may terminate the Franchise Agreement or the Development Agreement under any grounds permitted by law.
8. Any mediation involving a franchise purchased in Washington is subject to state law.
9. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
10. 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.
11. No statement, questionnaire, or acknowledgement 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 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.

FOR THE STATE OF WISCONSIN

Item 17 of the disclosure document is supplemented by the following:

For franchisees subject to the Wisconsin Fair Dealership Law, Ch. 135, Stats., provisions in the Fair Dealership Law supersede any inconsistent provisions of the Franchise Agreement or a related contract.

EXHIBIT A
FINANCIAL STATEMENT

ICODE FRANCHISE, INC.
FRANCHISE DISCLOSURE DOCUMENT

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

iCode Franchise Inc
Balance Sheet
April 30, 2024

ASSETS

Current Assets		
Great Plains Bank	(\$ 3,650.00)	
Accounts Receivable	155,776.28	
Prepaid Expenses	<u>389.55</u>	
Total Current Assets		152,515.83
Property and Equipment		
Furniture & Fixtures	4,930.26	
Software	10,000.00	
Computer Equipment	15,792.39	
Equipment	8,187.49	
Leasehold Improvements	27,027.84	
Accum. Depr. - Furniture	(4,635.33)	
Accum. Depr. - Software	(277.78)	
Accum. Depr. - Computer	(12,336.70)	
Accum. Depr. - Equipment	(2,953.28)	
Accum. Depr. - Leasehold	<u>(16,496.96)</u>	
Total Property and Equipment		29,237.93
Other Assets	<u> </u>	
Total Other Assets		<u>0.00</u>
Total Assets		<u>\$ 181,753.76</u>

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	\$ 82,533.72	
Notes Payable	2,121.00	
Wages Payable	43,812.56	
Payroll Taxes Payable	690.82	
Customer Deposit	85.96	
Deferred Revenue - Short Term	107,440.00	
Other Current Liabilities	<u>(40.71)</u>	
Total Current Liabilities		236,643.35

iCode Franchise Inc
Balance Sheet
April 30, 2024

Long-Term Liabilities	
Due to Scarlet Wireless	7,388.83
SBA Loan #1901217806	147,879.00
Deferred Revenue - Long Term	<u>1,471,746.00</u>
Total Long-Term Liabilities	<u>1,627,013.83</u>
Total Liabilities	1,863,657.18
Capital	
Retained Earnings	(3,045,402.04)
Partner's Contri-Abid Abedi	1,431,540.39
Common Stock	10,000.00
Net Income	<u>(78,041.77)</u>
Total Capital	<u>(1,681,903.42)</u>
Total Liabilities & Capital	<u>\$ 181,753.76</u>

iCode Franchise Inc
Income Statement
For the Four Months Ending April 30, 2024

	Current Month		Year to Date	
Revenues				
Franchise Fee	\$ 85,000.00	37.65	\$ 225,000.00	33.16
Royalties Fee	96,065.08	42.55	299,944.00	44.20
Advertisement Fee	23,901.50	10.59	77,338.50	11.40
Other Income	<u>20,826.94</u>	9.22	<u>76,281.49</u>	11.24
 Total Revenues	 <u>225,793.52</u>	 100.00	 <u>678,563.99</u>	 100.00
 Occupancy Expenses				
Bad Debt Expense	0.00	0.00	863.90	0.13
Website Expenses	0.00	0.00	12,675.50	1.87
Office Expense	326.85	0.14	1,039.57	0.15
Telephone Expense	102.86	0.05	383.14	0.06
Network/Data	57.61	0.03	230.44	0.03
Rent or Lease Expense	9,750.00	4.32	39,000.00	5.75
Payroll Fees	<u>169.43</u>	0.08	<u>763.30</u>	0.11
 Total Occupancy Expense	 10,406.75	 4.61	 54,955.85	 8.10
 Protective Expenses				
Insurance Expense	2,876.00	1.27	11,504.00	1.70
Security Expense	15.45	0.01	106.45	0.02
Legal & Professional Expense	7,832.00	3.47	21,382.00	3.15
Auditing Expenses	<u>0.00</u>	0.00	<u>9,500.00</u>	1.40
 Total Protective Expense	 10,723.45	 4.75	 42,492.45	 6.26
 Marketing/Travel Expense				
Travel Expense	4,626.75	2.05	9,643.44	1.42
Advertising Expense	17,098.05	7.57	74,574.76	10.99
Marketing Expenses	10,508.39	4.65	16,558.39	2.44
Membership Fee	3,150.00	1.40	3,150.00	0.46
Gifts Expense	0.00	0.00	30.53	0.00
Lodging	<u>292.89</u>	0.13	<u>292.89</u>	0.04
 Total Marketing/Travel Expense	 35,676.08	 15.80	 104,250.01	 15.36
 Maintenance Expenses				
Maintenance Expense	0.00	0.00	42.54	0.01
Janitorial & Cleaning Supplies	<u>382.48</u>	0.17	<u>1,346.56</u>	0.20
 Total Maintenance Expense	 382.48	 0.17	 1,389.10	 0.20

iCode Franchise Inc
Income Statement
For the Four Months Ending April 30, 2024

	Current Month		Year to Date	
Misc. Expenses				
Bank Charges	196.90	0.09	393.75	0.06
Food Expense	1,662.10	0.74	3,323.38	0.49
Credit Card/Merchant Services	28.00	0.01	112.00	0.02
Consultant Fee & Commission	0.00	0.00	15,500.00	2.28
Wages - Administration	120,987.35	53.58	413,275.15	60.90
Bonus - Administration	8,000.00	3.54	8,000.00	1.18
Payroll Tax - Administration	10,143.98	4.49	35,830.93	5.28
Health Insurance - Admin	3,556.97	1.58	15,402.50	2.27
Contractor Pay-Admin	2,400.00	1.06	4,912.50	0.72
Administrative OH Fee	3,451.25	1.53	13,805.00	2.03
Wage OH Expense	2,500.00	1.11	10,625.00	1.57
Accountant/Tax	0.00	0.00	1,500.00	0.22
Software Expenses	<u>14,008.43</u>	6.20	<u>23,696.24</u>	3.49
 Total Misc. Expense	 166,934.98	 73.93	 546,376.45	 80.52
 Total SG&A Expense	 <u>224,123.74</u>	 99.26	 <u>749,463.86</u>	 110.45
 EBITDA	 <u>1,669.78</u>	 0.74	 <u>(70,899.87)</u>	 (10.45)
 Interest & Penalties	 731.00	 0.32	 2,924.00	 0.43
Depreciation Expense	985.03	0.44	4,217.90	0.62
Tax Expenses	-		-	
 Net Income	 <u>(\$ 46.25)</u>	 (0.02)	 <u>(\$ 78,041.77)</u>	 (11.50)



iCode Franchise, Inc.

Financial Statements

and

Independent Auditors' Report

For the Year Ended December 31, 2023

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ALEXANDER & WILLIAMS

INDEPENDENT AUDITORS' REPORT

To the Sole Director and Stockholder
of iCode Franchise, Inc.

Opinion

We have audited the accompanying financial statements of iCode Franchise, Inc. (a Texas corporation), which comprise the balance sheet as of December 31, 2023, and the related statements of operations, changes in stockholder's deficit, and cash flows for the year then ended, and the related notes to the financial statements.

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

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of iCode Franchise, Inc. 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.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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.

Alexander & Williams, LLC
5050 Quorum Drive, Suite 700
Dallas, Texas 75254

Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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 iCode Franchise, Inc.'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 iCode Franchise, Inc.'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.

Emphasis-of-Matter

As discussed in Note 9 to the financial statements, the Company has incurred recurring losses from operations and has a net capital deficiency. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note 9. Our opinion is not modified with respect to this matter.

Alexander & Williams, LLC

March 25, 2024

iCODE FRANCHISE, INC.
BALANCE SHEET
DECEMBER 31, 2023

ASSETS

Current assets:	
Cash	\$ 286
Accounts receivable	84,321
Prepaid expenses	1,948
Total current assets	<u>86,555</u>
Property and equipment:	
Property and equipment, at cost (Note 4)	55,938
Less: accumulated depreciation	<u>(32,482)</u>
Total property and equipment, net	<u>23,456</u>
Total assets	<u>\$ 110,011</u>

LIABILITIES AND STOCKHOLDER'S DEFICIT

Current liabilities:	
Accounts payable	\$ 96,536
Accrued expenses, primarily payroll	46,824
Accrued legal settlement (Note 7)	14,000
Deferred revenue, current portion	107,440
Note payable, current portion	2,121
Total current liabilities	<u>266,921</u>
Long-term liabilities:	
Deferred revenue, net of current portion	1,471,746
Note payable, net of current portion (Note 6)	147,879
Total long-term liabilities	<u>1,619,625</u>
Stockholder's deficit:	
Common stock; \$1 par value; 10,000 shares authorized, issued and outstanding	10,000
Additional paid-in capital	1,330,323
Accumulated deficit	<u>(3,116,858)</u>
Total stockholder's deficit	<u>(1,776,535)</u>
Total liabilities and stockholder's deficit	<u>\$ 110,011</u>

The accompanying notes are an integral part of these financial statements

iCODE FRANCHISE, INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

Revenues (Note 3)	\$ 1,440,966
Expenses:	
Advertising and marketing	426,733
Selling, general and administrative	360,716
Payroll and related costs	1,038,562
Legal and professional	61,421
Depreciation	10,902
Total operating expenses	<u>1,898,334</u>
Loss from operations	(457,368)
Provision for income taxes	<u>-</u>
Net loss	<u>\$ (457,368)</u>

The accompanying notes are an integral part of these financial statements

iCODE FRANCHISE, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 2023

	Common Stock		Additional		Accumulated		Total	
	Shares	Amount	Paid-in Capital		Deficit			
Balances at January 1, 2023	10,000	\$ 10,000	\$	974,827	\$	(2,659,490)	\$	(1,674,663)
Contributions (Note 5)	-	-		2,767,080		-		2,767,080
Distributions (Note 5)	-	-		(2,411,584)		-		(2,411,584)
Net loss	-	-		-		(457,368)		(457,368)
Balances at December 31, 2023	<u>10,000</u>	<u>\$ 10,000</u>	<u>\$</u>	<u>1,330,323</u>	<u>\$</u>	<u>(3,116,858)</u>	<u>\$</u>	<u>(1,776,535)</u>

The accompanying notes are an integral part of these financial statements

iCODE FRANCHISE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash flows from operating activities:	
Net loss	\$ (457,368)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	10,902
Bad debt expense	11,185
Operating expenses paid by contributions from stockholder	1,653,654
Changes in operating assets and liabilities:	
Accounts receivable	(52,695)
Prepaid expenses	1,426
Accounts payable	(3,092)
Accrued expenses, primarily payroll	236
Deferred revenue	142,295
Accrued legal settlement	14,000
Net cash provided by operating activities	1,320,543
Cash flows from investing activities:	
Purchase of property and equipment	(22,099)
Net cash used in investing activities	(22,099)
Cash flows from financing activities:	
Contributions from stockholder	1,113,426
Distributions to stockholder	(2,411,584)
Net cash used in financing activities	(1,298,158)
Net change in cash	286
Cash at beginning of year	-
Cash at end of year	\$ 286

Supplemental Disclosure of Cash Flow Information

Interest paid	\$ 9,833
Taxes paid	\$ -

The accompanying notes are an integral part of these financial statements

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

iCode Franchise, Inc. (the Company) is a registered Texas corporation originally incorporated on June 23, 2016. The Company is a wholly owned subsidiary of iCode, L.P. The Company is a franchisor of an after-school franchise program teaching students from kindergarten through twelfth grade robotics and computer science-related topics.

Method of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with principles generally accepted in the United States of America.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all cash in banks, demand deposits, time deposits, certificates of deposit, and short-term liquid investments available for current use with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

The Company's accounts receivable consists primarily of ongoing royalties from franchisees. Such amounts are considered past due on the fifth day following the close of the prior business month. Uncollectible accounts are specifically identified by the Company's management and are charged to expense in the period they are deemed to be uncollectible. Recovered bad debts are credited to income when collected. Based upon its assessment of the Company's accounts receivable, the Company's management identified no uncollectible balances in the accounts receivable as of December 31, 2023.

Property and Equipment

The Company capitalizes property and equipment additions exceeding \$500 with an estimated useful life exceeding one year. Purchased property and equipment is capitalized at cost. Expenditures for major renewals or betterments that extend the useful lives of property and equipment are capitalized and depreciated over the estimated remaining useful lives of the related assets. Expenditures for maintenance and repairs are expensed when incurred. Property and equipment are depreciated using the straight-line method over estimated useful lives as follows:

Furniture and fixtures	3-5 years
Computer equipment	3 years
Leasehold improvements	3-10 years

The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate possible impairment. If the carrying amount for the asset is not recoverable, an impairment loss is recorded to adjust the carrying amount of the asset and the adjusted carrying amount becomes the new cost basis. For a depreciable long-lived asset, the new cost basis will be depreciated over the remaining estimated useful life of the asset.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued):

Revenue Recognition

Revenue is primarily generated from five basic sources: initial franchise fees, pre-opening services fees, ongoing royalties, advertising fees, and from various subscriptions and branded materials sold to franchisees. The Company charges an initial non-refundable franchise fee for the right to operate a location within a defined territory using the franchise name. The initial term of each franchise agreement is 10 years, with an option to renew for a fee. The Company provides the use of trademarks, system, training, pre-opening assistance and store operating assistance in exchange for an initial franchise fee and royalties based on a franchisee's sales. As further discussed within Note 2, the Company has determined that it has two separate performance obligations under the terms of each franchise agreement: (1) an obligation to provide a license granting the franchisee the right to operate a location for the duration of the agreement, including providing advertising, branded merchandise, and other ongoing subscriptions, and (2) an obligation to provide certain pre-opening services, including site selection, facility preparation, training, recordkeeping, etc.

Initial franchise fees are allocated among the two separate performance obligations. The Company allocates consideration to pre-opening services fees based on the observable stand-alone selling price of the provided services, and such fees are recognized at the time the respective obligation is satisfied. The Company allocates the remaining consideration to the franchise license, and such consideration is recorded as deferred revenue when received and is recognized as revenue over the contractual term of each 10-year franchise agreement, beginning when a franchise location is opened.

An area development agreement establishes the number of multiple stores that must be developed in a defined geographic area and the deadlines by which these stores must open. The area development agreement can be terminated by the Company if, among other reasons, the area developer fails to open stores on schedule. The Company's franchisees execute a separate franchise agreement for each store opened.

Royalties are determined as a percentage of franchisee revenues and are recognized in the same period as the related franchisee revenues. If collection of the franchise royalty fee is doubtful, a receivable and an allowance are recorded by the Company without any revenue recognition and revenue is recognized at the time such receivables are collected.

The Company also sells advertising for franchisees and sells franchisees branded merchandise, promotional and educational materials on an ongoing basis. Additionally, the Company also sells subscriptions for access to various cloud computer services to franchisees on an ongoing basis.

Advertising

The Company expenses advertising costs as incurred. During the year ended December 31, 2023, the Company expensed advertising costs totaling approximately \$313,000, which are reflected within 'advertising and marketing' expenses in the accompanying statement of operations.

Income Taxes

The Company accounts for income taxes under the asset and liability method in accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 740, "Income Taxes," which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the financial statements and the tax basis of assets and liabilities by using estimated tax rates for the year in which the differences are expected to reverse.

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued):

Recent Accounting Pronouncements

As of December 31, 2023, and through March 25, 2024, there were several new accounting pronouncements issued by the Financial Accounting Standards Board. Each of these pronouncements, as applicable, has been or will be adopted by the Company. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Company's financial statements. The Company will monitor these emerging issues to assess any potential future impact on its financial statements.

Subsequent Events

The Company has evaluated subsequent events for recognition and disclosure through March 25, 2024, which is the date the financial statements were available to be issued.

2. CHANGE IN ACCOUNTING PRINCIPLE

Since its January 1, 2019 adoption of Accounting Standard Codification (ASC) Topic 606, initial franchise fees received from franchisees have been recognized by the Company as a single performance obligation, granting the franchisee a license to operate a location for the duration of the agreement. Because the pre-opening services provided by the Company under franchise agreements are highly interrelated and dependent upon the franchise license, the Company previously concluded that such services did not represent individually distinct performance obligations. As such, the Company previously bundled the franchise license performance obligation and promises to provide pre-opening services into a single performance obligation, which was recognized by the Company over the duration of the related franchise agreement.

Effective January 1, 2023, the Company's management determined that a change in the method of applying this accounting principle was warranted. This change has been reflected as a change in accounting principle from an acceptable accounting principle to a preferable accounting principle. This new method is preferable, as under Accounting Standard Update (ASU) No. 2021-02, *Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient*, franchisors are permitted to make an accounting policy election to recognize certain pre-opening services as a distinct, single performance obligation. Pursuant to ASU 2021-02, the Company has elected to account for the following pre-opening services as a single performance obligation: (1) assistance in the selection of a site; (2) assistance in obtaining facilities and preparing facility for their intended use; (3) training of the franchisee and its personnel; and (4) preparation and distribution of manuals and similar material concerning operations, administration, and recordkeeping. As a result of the change in accounting principle, a cumulative-effect adjustment in stockholder's deficit as of January 1, 2023 was recorded for \$203,499. The adjustment also decreased deferred revenue by \$63,473 as of January 1, 2023.

3. DISAGGREGATED REVENUES

Revenues disaggregated by significant products and services for the year ended December 31, 2023, were as follows:

Franchise Fees	\$ 332,474
Pre-Opening Services Fees	90,000
Royalty Fees	620,876
Licensing Fee and Other Income	240,715
Advertising Fees	156,901
Total	<u>\$ 1,440,966</u>

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

3. DISAGGREGATED REVENUES (continued)

Revenues disaggregated by significant location for the year ended December 31, 2023, were as follows:

	<u>Franchise</u> <u>Fees</u>	<u>Pre-</u> <u>Opening</u> <u>Services</u>	<u>Royalty</u> <u>Fees</u>	<u>Advertising</u> <u>Fees</u>	<u>Licensing</u> <u>Fee and</u> <u>Other</u> <u>Income</u>	<u>Total</u>
Texas	\$ 45,423	\$ 18,000	\$ 283,010	\$ 71,273	\$ 132,234	\$ 549,940
Massachusetts	37,750	-	74,268	18,567	3,800	134,385
Arizona	17,179	18,000	18,720	5,129	12,737	71,765
Michigan	7,748	9,000	48,970	12,339	12,698	90,755
Georgia	70,000	9,000	-	-	-	79,000
Tennessee	3,500	9,000	11,813	2,505	7,770	34,588
California	-	9,000	-	674	7,384	17,058
Utah	35,000	-	-	-	-	35,000
Florida	37,087	-	6,882	1,721	3,000	48,690
Indiana	1,979	9,000	2,708	677	3,012	17,376
Colorado	-	9,000	-	-	556	9,556
Others	76,808	-	174,505	44,016	57,524	352,853
	<u>\$ 332,474</u>	<u>\$ 90,000</u>	<u>\$ 620,876</u>	<u>\$ 156,901</u>	<u>\$ 240,715</u>	<u>\$ 1,440,966</u>

Significant revenue concentrations, consisting of individual franchisees which accounted for at least 10% of respective revenue amounts, for the year ended December 31, 2023, were as follows:

	<u>Franchise</u> <u>Fees</u>	<u>Pre-</u> <u>Opening</u> <u>Services</u>	<u>Royalty</u> <u>Fees</u>	<u>Advertising</u> <u>Fees</u>	<u>Licensing</u> <u>Fee and</u> <u>Other</u> <u>Income</u>	<u>Total</u>
Franchisee A	1%	0%	12%	12%	2%	7%
Franchisee B	1%	10%	1%	1%	2%	2%
Franchisee C	1%	10%	0%	0%	2%	1%
Franchisee D	11%	0%	0%	0%	0%	2%
Franchisee E	11%	0%	0%	0%	0%	2%
Franchisee F	11%	0%	0%	0%	0%	2%
Franchisee G	11%	0%	0%	0%	0%	2%
Franchisee H	1%	10%	1%	1%	1%	2%
Franchisee I	1%	10%	0%	0%	1%	1%
Franchisee J	1%	10%	1%	1%	1%	1%
Franchisee K	1%	10%	1%	1%	1%	1%
Franchisee L	1%	10%	0%	0%	1%	1%
Franchisee M	1%	10%	1%	1%	1%	2%
Franchisee N	0%	10%	0%	0%	1%	1%
Franchisee O	0%	10%	0%	0%	0%	1%
Franchisee P	11%	0%	0%	0%	0%	2%

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

4. PROPERTY AND EQUIPMENT

Property and equipment, at cost, at December 31, 2023, are summarized as follows:

Furniture and fixtures	\$ 4,930
Computer equipment	15,792
Other Equipment	8,188
Leasehold improvements	<u>27,028</u>
	<u>\$ 55,938</u>

Depreciation expense for the year ended December 31, 2023, was \$10,902.

5. RELATED PARTY TRANSACTIONS

Shared Expenses

The Company incurs operational expenditures for its shared usage of personnel and facilities possessed by affiliated entities. As of December 31, 2023, approximately \$46,000 was owed to affiliated entities for payroll expenses incurred by the Company and is reflected within ‘accrued expenses, primarily payroll’ within the accompanying balance sheet.

Stockholder Contributions and Distributions

From time to time, the Company's stockholder contributes cash to the Company, in addition to paying certain expenses incurred by the Company on its behalf, and these amounts are reflected as a contribution to additional paid-in capital. During the year ended December 31, 2023, contributions received from the Company’s stockholder, net of distributions paid to the stockholder as a return of previously contributed capital, approximated \$355,000.

Accounts Payable, Related Party

As of December 31, 2023, \$17,500 was owed to an affiliated entity for services rendered by the affiliated entity to the Company, which is reflected within ‘accounts payable’ on the accompanying balance sheet.

6. NOTE PAYABLE

The Company’s note payable at December 31, 2023, consisted of the following:

Economic Injury Disaster Loan (EIDL) note payable issued May 22, 2020, bearing interest at a rate of 3.75% per annum, with monthly installments of \$731 beginning November 2022 and maturing on May 22, 2050; secured by the Company’s assets. Monthly installment payments are applied first to interest accrued, with the balance being applied to principal. During 2023, none of the Company’s monthly installment payments were applied to the principal balance.	\$ 150,000
Less: current maturities	<u>(2,121)</u>
	<u>\$ 147,879</u>

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

6. NOTE PAYABLE (continued)

Future scheduled maturities of notes payable are as follows:

<u>Years ending December 31,</u>	<u>Amount</u>
2024	\$ 2,121
2025	3,345
2026	3,472
2027	3,605
2028	3,742
Thereafter	133,715
	<u>\$ 150,000</u>

Proceeds from the EIDL can be used for operating expenses. The Company intends to use the proceeds for purposes consistent with the EIDL.

7. COMMITMENTS AND CONTINGENCIES

Effective February 1, 2024, the Company entered into a settlement agreement in the amount of \$99,000 with a former franchisee (“Claimant”) regarding claims alleged by the Claimant against the Company. Pursuant to the terms of the settlement agreement, the Company is liable for \$14,000 of the settlement amount, with the remainder of the settlement amount to be paid by the Company’s insurance provider. Effective March 13, 2024, the claims were formerly discharged and dismissed.

8. INCOME TAXES

The Company recognizes deferred tax assets and liabilities to the extent that the Company believes that these assets and/or liabilities are more likely than not to be realized. If it is determined that the Company would be able to realize deferred tax assets in the future in excess of the net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

In assessing the realizability of deferred tax assets, the Company evaluated whether it is more likely than not that some or all of the deferred tax assets will be realized. The realization of deferred tax assets relates directly to the Company’s ability to generate taxable income. The valuation allowance is then adjusted accordingly.

In December 2017, tax legislation was enacted limiting the deduction for net operating losses from taxable years beginning after December 31, 2017 to 80% of current year taxable income and eliminating net operating loss carrybacks for losses arising in taxable years ending after December 31, 2017, though any such tax losses may be carried forward indefinitely. Net operating losses originating in taxable years beginning prior to January 1, 2018 are still subject to former carryover rules.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, issued during March 2020, temporarily reinstated a carryback period for all net operating losses generated in years beginning after December 31, 2017, and prior to January 1, 2021. The carryback period for those tax years is five years under the CARES Act.

Additionally, the CARES Act temporarily suspends the aforementioned 80% taxable income limitation, allowing a net operating loss carryforward to fully offset taxable income in tax years beginning before January 1, 2021.

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

8. INCOME TAXES (continued)

At December 31, 2023, the Company has estimated available federal net operating loss carry forwards of approximately \$1,597,000, all of which was attributable to periods beginning after January 1, 2021. The Company's parent, iCode, L.P., has permitted the Company's federal net operating loss carry forwards to be utilized to offset future federal taxable income of the Company. The potential benefit of these net operating losses has not been recognized in these financial statements because the Company cannot be assured of the utilization of the net operating losses carried forward in future years.

The Company uses the accrual method of accounting for income tax reporting purposes. At December 31, 2023, the significant components of the Company's deferred tax assets computed using the federal statutory rate of 21% are summarized as follows:

Deferred tax assets:	
Net operating loss carry forwards	\$ 335,000
Valuation allowance	<u>(335,000)</u>
Net deferred tax assets	<u>\$ -</u>

A reconciliation of income tax benefit at the statutory federal rate of 21% to income tax benefit at the Company's effective tax rate for the year ended December 31, 2023, is as follows:

Income tax benefit at statutory federal rate	\$ (96,000)
Increase in valuation allowance	<u>96,000</u>
	<u>\$ -</u>

9. GOING CONCERN

The Company's financial statements have been prepared assuming that the Company will continue as a going concern and contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has suffered recurring losses from operations and has a net capital deficiency as of December 31, 2023. However, management does not believe these conditions or events to have a significant impact on the Company's ability to meet its obligations.

As indicated within Note 5, the Company's stockholder has historically contributed significant cash to the Company, in addition to paying certain expenses incurred by the Company, on its behalf. Additionally, as of December 31, 2023, the Company has aggregate deferred franchise fee revenue of approximately \$1,579,186 which will be recognized as revenue in future periods. Further, subsequent to December 31, 2023, the Company's stockholder has demonstrated the ability to continue to provide contributions to the Company sufficient to maintain its operations.

Management believes the Company's stockholder and its affiliates possess sufficient assets to fund and maintain the Company's operations.



iCode Franchise, Inc.

Financial Statements

and

Independent Auditors' Report

For the Year Ended December 31, 2022

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ALEXANDER & WILLIAMS

INDEPENDENT AUDITORS' REPORT

To the Sole Director and Stockholder
of iCode Franchise, Inc.

We have audited the accompanying financial statements of iCode Franchise, Inc. (a Texas corporation), which comprise the balance sheet as of December 31, 2022, and the related statements of operations, changes in stockholder's deficit, and cash flows for the year then ended, and the related notes to the financial statements.

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

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of iCode Franchise, Inc. 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.

Responsibilities of Management for the Financial Statements

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

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

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

Alexander & Williams, LLC
5050 Quorum Drive, Suite 700
Dallas, Texas 75254

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 iCode Franchise Inc.'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 iCode Franchise Inc.'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.

Emphasis-of-Matter

As discussed in Note 7 to the financial statements, the Company has incurred recurring losses from operations and has a net capital deficiency. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note 7. Our opinion is not modified with respect to this matter.

Alexander & Williams, LLC

March 13, 2023

iCODE FRANCHISE, INC.
BALANCE SHEET
DECEMBER 31, 2022

ASSETS

Current assets:	
Accounts receivable	\$ 42,811
Prepaid expenses	3,374
Total current assets	<u>46,185</u>
Property and equipment:	
Property and equipment, at cost (Note 3)	33,839
Less: accumulated depreciation	<u>(21,580)</u>
Total property and equipment, net	<u>12,259</u>
Total assets	<u>\$ 58,444</u>

LIABILITIES AND STOCKHOLDER'S DEFICIT

Current liabilities:	
Accounts payable	\$ 99,628
Accrued expenses, primarily payroll	46,588
Deferred revenue, current portion	168,141
Note payable, current portion	2,121
Total current liabilities	<u>316,478</u>
Long-term liabilities:	
Deferred revenue, net of current portion	1,457,018
Note payable, net of current portion (Note 5)	<u>147,879</u>
Total long-term liabilities	<u>1,604,897</u>
Stockholder's deficit:	
Common stock; \$1 par value; 10,000 shares authorized, issued and outstanding	10,000
Additional paid-in capital	974,827
Accumulated deficit	<u>(2,847,758)</u>
Total stockholder's deficit	<u>(1,862,931)</u>
Total liabilities and stockholder's deficit	<u>\$ 58,444</u>

The accompanying notes are an integral part of these financial statements

iCODE FRANCHISE, INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

Revenues:	<u>\$ 613,240</u>
Expenses:	
Advertising and marketing	228,435
Selling, general and administrative	371,733
Payroll and related costs	819,771
Depreciation	<u>7,646</u>
Total operating expenses	<u>1,427,585</u>
Loss from operations	(814,345)
Provision for income taxes	<u>-</u>
Net loss	<u><u>\$ (814,345)</u></u>

The accompanying notes are an integral part of these financial statements

iCODE FRANCHISE, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 2022

	Common Stock		Additional		Accumulated		Total
	Shares	Amount	Paid-in Capital		Deficit		
Balances at January 1, 2022	10,000	\$ 10,000	\$ 698,621		\$ (2,033,413)		\$ (1,324,792)
Contributions (Note 4)	-	-	2,456,371		-		2,456,371
Distributions (Note 4)	-	-	(2,180,165)		-		(2,180,165)
Net loss	-	-	-		(814,345)		(814,345)
Balances at December 31, 2022	<u>10,000</u>	<u>\$ 10,000</u>	<u>\$ 974,827</u>		<u>\$ (2,847,758)</u>		<u>\$ (1,862,931)</u>

The accompanying notes are an integral part of these financial statements

iCODE FRANCHISE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash flows from operating activities:	
Net loss	\$ (814,345)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	7,646
Bad debt expense	3,940
Operating expenses paid by contributions from stockholder	1,046,118
Changes in operating assets and liabilities:	
Accounts receivable	(12,433)
Prepaid expenses	(3,374)
Accounts payable	20,492
Accrued expenses, primarily payroll	10,294
Deferred revenue	499,937
Net cash provided by operating activities	<u>758,275</u>
Cash flows from investing activities:	
Purchase of property and equipment	<u>(3,367)</u>
Net cash used in investing activities	<u>(3,367)</u>
Cash flows from financing activities:	
Contributions from stockholder	1,410,253
Distributions to stockholder	<u>(2,180,165)</u>
Net cash used in financing activities	<u>(769,912)</u>
Net change in cash	(15,004)
Cash at beginning of year	<u>15,004</u>
Cash at end of year	<u>\$ -</u>

Supplemental Disclosure of Cash Flow Information

Interest paid	<u>\$ -</u>
Taxes paid	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

iCode Franchise, Inc. (the Company) is a registered Texas corporation originally incorporated on June 23, 2016. The Company is a wholly owned subsidiary of iCode, L.P. The Company is a franchisor of an after-school franchise program teaching students from kindergarten through twelfth grade robotics and computer science-related topics.

Method of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with principles generally accepted in the United States of America.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all cash in banks, demand deposits, time deposits, certificates of deposit, and short-term liquid investments available for current use with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2022, the Federal Deposit Insurance Corporation provided insurance coverage of up to \$250,000 per depositor, per institution. At December 31, 2022, the Company did not have any cash deposits in excess of federally insured limits.

Accounts Receivable

The Company's accounts receivable consists primarily of ongoing royalties from franchisees. Such amounts are considered past due on the fifth day following the close of the prior business month. Uncollectible accounts are specifically identified by the Company's management and are charged to expense in the period they are deemed to be uncollectible. Recovered bad debts are credited to income when collected. Based upon its assessment of the Company's accounts receivable, the Company's management identified no uncollectible balances in the accounts receivable.

Property and Equipment

The Company capitalizes property and equipment additions exceeding \$500 with an estimated useful life exceeding one year. Purchased property and equipment is capitalized at cost. Expenditures for major renewals or betterments that extend the useful lives of property and equipment are capitalized and depreciated over the estimated remaining useful lives of the related assets. Expenditures for maintenance and repairs are expensed when incurred. Property and equipment are depreciated using the straight-line method over estimated useful lives as follows:

Furniture and fixtures	3 years
Computer equipment	3 years
Leasehold improvements	3-10 years

The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate possible impairment. If the carrying amount for the asset is not recoverable, an impairment loss is recorded to adjust the carrying amount of the asset and the adjusted carrying amount becomes the new cost basis. For a depreciable long-lived asset, the new cost basis will be depreciated over the remaining estimated useful life of the asset.

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued):

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Revenue is primarily generated from three basic sources: initial franchise fees, ongoing royalties and from branded materials sold to franchisees. The Company charges an initial non-refundable franchise fee for the right to operate a location within a defined territory using the franchise name. The initial term of each franchise agreement is 10 years, with an option to renew for a fee. The Company provides the use of trademarks, system, training, pre-opening assistance and store operating assistance in exchange for an initial franchise fee and royalties based on a franchisee's sales. Initial franchise fees are recorded as deferred revenue when received and are recognized as revenue over the contractual term of each 10-year franchise agreement, beginning when a franchise location is opened.

Royalties are determined as a percentage of franchisee revenues and are recognized in the same period as the related franchisee revenues. If collection of the franchise royalty fee is doubtful, a receivable and an allowance are recorded by the Company without any revenue recognition and revenue is recognized at the time such receivables are collected.

The Company also sells advertising for franchisees and sells franchisees branded merchandise, promotional and educational materials on an ongoing basis. Additionally, the Company also sells subscriptions for access to various cloud computer services to franchisees on an ongoing basis.

Advertising

The Company expenses advertising costs as incurred. During the year ended December 31, 2022, the Company expensed advertising costs totaling approximately \$109,000, which are reflected within 'advertising and marketing' expenses in the accompanying statement of operations.

Income Taxes

The Company accounts for income taxes under the asset and liability method in accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 740, "Income Taxes," which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the financial statements and the tax basis of assets and liabilities by using estimated tax rates for the year in which the differences are expected to reverse.

Recent Accounting Pronouncements

As of December 31, 2022, and through March 13, 2023, there were several new accounting pronouncements issued by the Financial Accounting Standards Board. Each of these pronouncements, as applicable, has been or will be adopted by the Company. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Company's financial statements. The Company will monitor these emerging issues to assess any potential future impact on its financial statements.

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued):

Subsequent Events

The Company has evaluated subsequent events for recognition and disclosure through March 13, 2023, which is the date the financial statements were available to be issued.

2. DISAGGREGATED REVENUES

Revenues disaggregated by significant products and services for the year ended December 31, 2022, were as follows:

Franchise Fees	\$ 120,064
Royalty Fees	327,552
Subscription Fees	82,959
Advertising Fees	<u>82,665</u>
Total	<u>\$ 613,240</u>

Revenues disaggregated by significant location for the year ended December 31, 2022, were as follows:

	<u>Franchise</u> <u>Fees</u>	<u>Subscription</u> <u>Fees</u>	<u>Royalty</u> <u>Fees</u>	<u>Advertising</u> <u>Fees</u>	<u>Total</u>
Texas	\$ 77,166	\$ 41,059	\$ 162,533	\$ 41,185	\$ 321,943
Massachusetts	3,500	3,700	52,240	13,060	72,500
Others	39,398	38,200	112,779	28,420	218,797
	<u>\$ 120,064</u>	<u>\$ 82,959</u>	<u>\$ 327,552</u>	<u>\$ 82,665</u>	<u>\$ 613,240</u>

Significant revenue concentrations, consisting of individual franchisees which accounted for at least 10% of respective revenue amounts, for the year ended December 31, 2022, were as follows:

	<u>Franchise</u> <u>Fees</u>	<u>Subscription</u> <u>Fees</u>	<u>Royalty</u> <u>Fees</u>	<u>Advertising</u> <u>Fees</u>	<u>Total</u>
Franchisee A	17%	2%	2%	2%	5%
Franchisee B	20%	3%	2%	2%	6%
Franchisee C	3%	4%	16%	16%	12%
Franchisee D	3%	4%	10%	10%	8%

3. PROPERTY AND EQUIPMENT

Property and equipment, at cost, at December 31, 2022, are summarized as follows:

Furniture and fixtures	\$ 4,425
Computer equipment	13,410
Leasehold improvements	<u>16,004</u>
	<u>\$ 33,839</u>

Depreciation expense for the year ended December 31, 2022, was \$7,646.

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

4. RELATED PARTY TRANSACTIONS

The Company incurs operational expenditures for its shared usage of personnel and facilities possessed by affiliated entities. As of December 31, 2022, approximately \$31,000 was owed to affiliated entities for payroll expenses incurred by the Company and is reflected within 'accrued expenses, primarily payroll' within the accompanying balance sheet.

Stockholder Contributions and Distributions

From time-to-time, the Company's stockholder contributes cash to the Company, in addition to paying certain expenses incurred by the Company, on its behalf, and these amounts are reflected as a contribution to additional paid-in capital. During the year ended December 31, 2022, contributions received from the Company's stockholder, net of distributions paid to the stockholder as a return of previously contributed capital, approximated \$276,000.

5. NOTE PAYABLE

The Company's note payable at December 31, 2022, consisted of the following:

Economic Injury Disaster Loan (EIDL) note payable issued May 22, 2020, bearing interest at a rate of 3.75% per annum, with monthly installments of \$731 beginning November 2022 and maturing on May 22, 2050; secured by the Company's assets.	\$ 150,000
Less: current maturities	<u>(2,121)</u>
	<u>\$ 147,879</u>

Future scheduled maturities of notes payable are as follows:

<u>Years ending December 31,</u>	<u>Amount</u>
2023	\$ 2,121
2024	3,345
2025	3,472
2026	3,605
2027	3,742
Thereafter	<u>133,715</u>
	<u>\$ 150,000</u>

During May 2020, the Company received EIDL proceeds in the amount of \$150,000 from the U.S. Small Business Administration (SBA). Proceeds from the EIDL can be used for operating expenses. The EIDL is payable over 30 years at an interest rate of 3.75% per annum, with a deferral of payments for the first 30 months. The Company intends to use the proceeds for purposes consistent with the EIDL.

6. INCOME TAXES

The Company recognizes deferred tax assets and liabilities to the extent that the Company believes that these assets and/or liabilities are more likely than not to be realized. If it is determined that the Company would be able to realize deferred tax assets in the future in excess of the net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

In assessing the realizability of deferred tax assets, the Company evaluated whether it is more likely than not that some or all of the deferred tax assets will be realized. The realization of deferred tax assets relates directly to the Company's ability to generate taxable income. The valuation allowance is then adjusted accordingly.

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

6. INCOME TAXES (continued)

In December 2017, tax legislation was enacted limiting the deduction for net operating losses from taxable years beginning after December 31, 2017 to 80% of current year taxable income and eliminating net operating loss carrybacks for losses arising in taxable years ending after December 31, 2017, though any such tax losses may be carried forward indefinitely. Net operating losses originating in taxable years beginning prior to January 1, 2018 are still subject to former carryover rules.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, issued during March 2020, temporarily reinstated a carryback period for all net operating losses generated in years beginning after December 31, 2017, and prior to January 1, 2021. The carryback period for those tax years is five years under the CARES Act. Additionally, the CARES Act temporarily suspends the aforementioned 80% taxable income limitation, allowing a net operating loss carryforward to fully offset taxable income in tax years beginning before January 1, 2021.

At December 31, 2022, the Company has estimated available federal net operating loss carry forwards of approximately \$1,107,000, all of which was attributable to periods beginning after January 1, 2021. The Company's parent, iCode, L.P., has permitted the Company's federal net operating loss carry forwards to be utilized to offset future federal taxable income of the Company. The potential benefit of these net operating losses has not been recognized in these financial statements because the Company cannot be assured of the utilization of the net operating losses carried forward in future years.

The Company uses the accrual method of accounting for income tax reporting purposes. At December 31, 2022, the significant components of the Company's deferred tax assets computed using the federal statutory rate of 21% are summarized as follows:

Deferred tax assets:	
Net operating loss carry forwards	\$ 232,000
Valuation allowance	<u>(232,000)</u>
Net deferred tax assets	<u>\$ -</u>

A reconciliation of income tax benefit at the statutory federal rate of 21% to income tax benefit at the Company's effective tax rate for the year ended December 31, 2022, is as follows:

Income tax benefit at statutory federal rate	\$ (171,000)
Increase in valuation allowance	<u>171,000</u>
	<u>\$ -</u>

7. GOING CONCERN

The Company's financial statements have been prepared assuming that the Company will continue as a going concern and contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has suffered recurring losses from operations and has a net capital deficiency as of December 31, 2022. However, management does not believe these conditions or events to have a significant impact on the Company's ability to meet its obligations.

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

7. GOING CONCERN (continued)

As indicated within Note 4, the Company's stockholder has historically contributed significant cash to the Company, in addition to paying certain expenses incurred by the Company, on its behalf. Additionally, as of December 31, 2022, the Company has aggregate deferred franchise fee revenue of approximately \$1,625,000 which will be recognized as revenue in future periods. Further, subsequent to December 31, 2022, the Company's stockholder has demonstrated the ability to continue to provide contributions to the Company sufficient to maintain its operations.

Management believes the Company's stockholder and its affiliates to possess sufficient assets to fund and maintain the Company's operations.

iCode Franchise, Inc.
Financial Statements
and
Independent Auditors' Report
For the Year Ended December 31, 2021

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ALEXANDER & WILLIAMS

INDEPENDENT AUDITORS' REPORT

To the Sole Director and Stockholder
of iCode Franchise, Inc.

We have audited the accompanying financial statements of iCode Franchise, Inc. (a Texas corporation), which comprise the balance sheet as of December 31, 2021, and the related statements of operations, changes in stockholder's deficit, and cash flows for the year then ended, and the related notes to the financial statements.

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

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of iCode Franchise, Inc. 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.

Responsibilities of Management for the Financial Statements

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

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

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

Alexander & Williams, LLC
5050 Quorum Drive, Suite 700
Dallas, Texas 75254

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 iCode Franchise Inc.'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 iCode Franchise Inc.'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.

Emphasis-of-Matter

As discussed in Note 7 to the financial statements, the Company has incurred recurring losses from operations and has a net capital deficiency. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note 7. Our opinion is not modified with respect to this matter.

Alexander & Williams, LLC

February 28, 2022

iCODE FRANCHISE, INC.
BALANCE SHEET
DECEMBER 31, 2021

ASSETS

Current assets:		
Cash	\$	15,004
Accounts receivable		34,318
Total current assets		<u>49,322</u>
Property and equipment:		
Property and equipment, at cost (Note 3)		30,472
Less: accumulated depreciation		<u>(13,934)</u>
Total property and equipment, net		<u>16,538</u>
Total assets	\$	<u><u>65,860</u></u>

LIABILITIES AND STOCKHOLDER'S DEFICIT

Current liabilities:		
Accounts payable	\$	79,136
Accrued expenses		36,294
Deferred revenue, current portion		116,641
Note payable, current portion		<u>2,121</u>
Total current liabilities		<u>234,192</u>
Long-term liabilities:		
Deferred revenue, net of current portion		1,008,581
Note payable, net of current portion (Note 5)		<u>147,879</u>
Total long-term liabilities		<u>1,156,460</u>
Stockholder's deficit:		
Common stock; \$1 par value; 10,000 shares authorized, issued and outstanding		10,000
Additional paid-in capital		698,621
Accumulated deficit		<u>(2,033,413)</u>
Total stockholder's deficit		<u>(1,324,792)</u>
Total liabilities and stockholder's deficit	\$	<u><u>65,860</u></u>

The accompanying notes are an integral part of these financial statements

iCODE FRANCHISE, INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

Revenues	<u>\$ 564,473</u>
Operating expenses:	
Selling, general and administrative	678,071
Payroll and related costs	577,623
Depreciation	<u>6,572</u>
Total operating expenses	<u>1,262,266</u>
Loss from operations	(697,793)
Provision for income taxes	<u>-</u>
Net loss	<u>\$ (697,793)</u>

The accompanying notes are an integral part of these financial statements

iCODE FRANCHISE, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 2021

	Common Stock		Additional		Accumulated		
	Shares	Amount	Paid-in Capital	Deficit			Total
Balances at January 1, 2021	10,000	\$ 10,000	\$ 460,154	\$ (1,335,620)			\$ (865,466)
Contributions (Note 4)	-	-	1,043,843	-			1,043,843
Distributions (Note 4)	-	-	(805,376)	-			(805,376)
Net loss	-	-	-	(697,793)			(697,793)
Balances at December 31, 2021	<u>10,000</u>	<u>\$ 10,000</u>	<u>\$ 698,621</u>	<u>\$ (2,033,413)</u>			<u>\$ (1,324,792)</u>

The accompanying notes are an integral part of these financial statements

iCODE FRANCHISE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Cash flows from operating activities:	
Net loss	\$ (697,793)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	6,572
Bad debt expense	7,845
Operating expenses paid by contributions from stockholder	600,372
Changes in operating assets and liabilities:	
Accounts receivable	(6,702)
Prepaid expenses	11,614
Accounts payable	73,463
Accrued expenses	13,578
Deferred revenue	375,167
Net cash provided by operating activities	384,116
Cash flows from investing activities:	
Purchase of property and equipment	(7,207)
Net cash used in investing activities	(7,207)
Cash flows from financing activities:	
Contributions from stockholder	443,471
Distributions to stockholder	(805,376)
Net cash used in financing activities	(361,905)
Net change in cash	15,004
Cash at beginning of year	-
Cash at end of year	\$ 15,004

Supplemental Disclosure of Cash Flow Information

Interest paid	\$ -
Taxes paid	\$ -

The accompanying notes are an integral part of these financial statements

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

iCode Franchise, Inc. (the Company) is a registered Texas corporation originally incorporated on June 23, 2016. The Company is a wholly owned subsidiary of iCode, L.P. The Company is a franchisor of an after-school franchise program teaching students from kindergarten through twelfth grade robotics and computer science-related topics.

Method of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with principles generally accepted in the United States of America.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all cash in banks, demand deposits, time deposits, certificates of deposit, and short-term liquid investments available for current use with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2021, the Federal Deposit Insurance Corporation provided insurance coverage of up to \$250,000 per depositor, per institution. At December 31, 2021, the Company did not have any cash deposits in excess of federally insured limits.

Accounts Receivable

The Company's accounts receivable consists primarily of ongoing royalties from franchisees. Such amounts are considered past due on the fifth day following the close of the prior business month. Uncollectible accounts are specifically identified by the Company's management and are charged to expense in the period they are deemed to be uncollectible. Recovered bad debts are credited to income when collected. Based upon its assessment of the Company's accounts receivable, the Company's management identified approximately \$8,000 of its accounts receivable balance which it believed were uncollectible and, therefore, such balances were written-off during the year ended December 31, 2021.

Property and Equipment

The Company capitalizes property and equipment additions exceeding \$500 with an estimated useful life exceeding one year. Purchased property and equipment is capitalized at cost. Expenditures for major renewals or betterments that extend the useful lives of property and equipment are capitalized and depreciated over the estimated remaining useful lives of the related assets. Expenditures for maintenance and repairs are expensed when incurred. Property and equipment are depreciated using the straight-line method over estimated useful lives as follows:

Furniture and fixtures	3 years
Computer equipment	3 years
Leasehold improvements	3-10 years

The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate possible impairment. If the carrying amount for the asset is not recoverable, an impairment loss is recorded to adjust the carrying amount of the asset and the adjusted carrying amount becomes the new cost basis. For a depreciable long-lived asset, the new cost basis will be depreciated over the remaining estimated useful life of the asset.

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Revenue is primarily generated from three basic sources: initial franchise fees, ongoing royalties and from branded materials and sold to franchisees. The Company charges an initial non-refundable franchise fee for the right to operate a location within a defined territory using the franchise name. The initial term of each franchise agreement is 10 years, with an option to renew for a fee. The Company provides the use of trademarks, system, training, pre-opening assistance and store operating assistance in exchange for an initial franchise fee and royalties based on a franchisee's sales. Initial franchise fees are recorded as deferred revenue when received and are recognized as revenue over the contractual term of each 10-year franchise agreement, beginning when a franchise location is opened.

Royalties are determined as a percentage of franchisee revenues and are recognized in the same period as the related franchisee revenues. If collection of the franchise royalty fee is doubtful, a receivable and an allowance are recorded by the Company without any revenue recognition and revenue is recognized at the time such receivables are collected.

The Company also sells advertising for franchisees and sells franchisees branded merchandise, promotional and educational materials on an ongoing basis. Additionally, the Company also sells subscriptions for access to various cloud computer services to franchisees on an ongoing basis.

Advertising

The Company expenses advertising costs as incurred. During the year ended December 31, 2021, the Company expensed advertising costs totaling approximately \$179,000, which are reflected within 'selling, general and administrative' expenses in the accompanying statement of operations.

Income Taxes

The Company accounts for income taxes under the asset and liability method in accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 740, "Income Taxes," which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the financial statements and the tax basis of assets and liabilities by using estimated tax rates for the year in which the differences are expected to reverse.

Recent Accounting Pronouncements

As of December 31, 2021, and through February 28, 2022, there were several new accounting pronouncements issued by the Financial Accounting Standards Board. Each of these pronouncements, as applicable, has been or will be adopted by the Company. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Company's financial statements. The Company will monitor these emerging issues to assess any potential future impact on its financial statements.

Subsequent Events

The Company has evaluated subsequent events for recognition and disclosure through February 28, 2022, which is the date the financial statements were available to be issued.

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

2. DISAGGREGATED REVENUES

Revenues disaggregated by significant products and services for the year ended December 31, 2021 were as follows:

Franchise Fees	\$ 283,738
Royalty Fees	166,626
Subscription Fees	72,005
Other ^(a)	42,104
Total	<u>\$ 564,473</u>

^(a) ‘Other’ revenues for the year ended December 31, 2021, includes advertising fees, totaling \$36,234, in addition to tuition income, totaling \$5,870.

Revenues disaggregated by significant location for the year ended December 31, 2021 were as follows:

	<u>Franchise</u> <u>Fees</u>	<u>Subscription</u> <u>Fees</u>	<u>Royalty</u> <u>Fees</u>	<u>Other</u> ^(a)	<u>Total</u>
Texas	\$ 86,367	\$ 40,085	\$ 91,522	\$ 23,655	\$ 241,629
Michigan	38,500	6,000	5,911	1,394	51,805
Massachusetts	3,500	3,600	33,920	8,480	49,500
Arizona	32,871	3,600	5,946	1,827	44,244
New Jersey	38,500	3,600	20	5	42,125
Georgia	35,000	600	-	-	35,600
Missouri	35,000	-	-	-	35,000
Oklahoma	3,500	3,680	20,000	5,000	32,180
Others	10,500	10,840	9,307	1,743	32,390
	<u>\$ 283,738</u>	<u>\$ 72,005</u>	<u>\$ 166,626</u>	<u>\$ 42,104</u>	<u>\$ 564,473</u>

^(a) ‘Other’ revenues for the year ended December 31, 2021, includes advertising fees, totaling \$36,234, in addition to tuition income, totaling \$5,870.

Significant revenue concentrations, consisting of individual franchisees which accounted for at least 10% of respective revenue amounts, for the year ended December 31, 2021 were as follows:

	<u>Franchise</u> <u>Fees</u>	<u>Subscription</u> <u>Fees</u>	<u>Royalty</u> <u>Fees</u>	<u>Other</u>	<u>Total</u>
Franchisee A	1%	5%	20%	20%	9%
Franchisee B	1%	5%	12%	14%	6%
Franchisee C	1%	5%	8%	10%	5%
Franchisee D	1%	5%	12%	12%	6%
Franchisee E	1%	5%	9%	10%	5%
Franchisee F	1%	5%	8%	3%	4%
Franchisee G	1%	5%	8%	9%	5%
Franchisee H	10%	-	-	-	5%
Franchisee I	13%	5%	4%	4%	8%
Franchisee J	13%	5%	2%	5%	8%
Franchisee K	14%	-	-	-	7%
Franchisee L	14%	3%	-	-	7%
Franchisee M	14%	1%	-	-	7%
Franchisee N	12%	-	-	-	6%

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

3. PROPERTY AND EQUIPMENT

Property and equipment, at cost, at December 31, 2021 are summarized as follows:

Furniture and fixtures	\$ 4,425
Computer equipment	10,043
Leasehold improvements	<u>16,004</u>
	<u>\$ 30,472</u>

Depreciation expense for the year ended December 31, 2021 was \$6,572.

4. RELATED PARTY TRANSACTIONS

The Company incurs operational expenditures for its shared usage of personnel and facilities possessed by affiliated entities. As of December 31, 2021, approximately \$32,000 was owed to affiliated entities for payroll expenses incurred by the Company and is reflected within ‘accrued expenses’ within the accompanying balance sheet.

Stockholder Contributions and Distributions

From time-to-time, the Company's stockholder contributes cash to the Company, in addition to paying certain expenses incurred by the Company, on its behalf, and these amounts are reflected as a contribution to additional paid-in capital. During the year ended December 31, 2021, contributions received from the Company's stockholder, net of distributions paid to the stockholder as a return of previously contributed capital, approximated \$238,000.

5. NOTE PAYABLE

The Company's note payable at December 31, 2021 consists of the following:

Economic Injury Disaster Loan (EIDL) note payable issued May 22, 2020, bearing interest at a rate of 3.75% per annum, with monthly installments of \$731 beginning May 2022 and maturing on May 22, 2050; secured by the Company's assets.	\$ 150,000
Less: current maturities	<u>(2,121)</u>
	<u>\$ 147,879</u>

Future scheduled maturities of notes payable are as follows:

<u>Years ending December 31,</u>	<u>Amount</u>
2022	\$ 2,121
2023	3,283
2024	3,408
2025	3,538
2026	3,673
Thereafter	<u>133,977</u>
	<u>\$ 150,000</u>

During May 2020, the Company received EIDL proceeds in the amount of \$150,000 from the U.S. Small Business Administration (SBA). Proceeds from the EIDL can be used for operating expenses. The EIDL is payable over 30 years at an interest rate of 3.75% per annum, with a deferral of payments for the first 24 months. The Company intends to use the proceeds for purposes consistent with the EIDL.

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

6. INCOME TAXES

The Company recognizes deferred tax assets and liabilities to the extent that the Company believes that these assets and/or liabilities are more likely than not to be realized. If it is determined that the Company would be able to realize deferred tax assets in the future in excess of the net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

In assessing the realizability of deferred tax assets, the Company evaluated whether it is more likely than not that some or all of the deferred tax assets will be realized. The realization of deferred tax assets relates directly to the Company's ability to generate taxable income. The valuation allowance is then adjusted accordingly.

In December 2017, tax legislation was enacted limiting the deduction for net operating losses from taxable years beginning after December 31, 2017 to 80% of current year taxable income and eliminating net operating loss carrybacks for losses arising in taxable years ending after December 31, 2017, though any such tax losses may be carried forward indefinitely. Net operating losses originating in taxable years beginning prior to January 1, 2018 are still subject to former carryover rules.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, issued during March 2020, temporarily reinstated a carryback period for all net operating losses generated in years beginning after December 31, 2017, and prior to January 1, 2021. The carryback period for those tax years is five years under the CARES Act. Additionally, the CARES Act temporarily suspends the aforementioned 80% taxable income limitation, allowing a net operating loss carryforward to fully offset taxable income in tax years beginning before January 1, 2021.

At December 31, 2021, the Company has estimated available federal net operating loss carry forwards of approximately \$1,341,000. Of the Company's estimated available federal net operating loss carry forwards, approximately \$21,000 was attributable to tax years prior to December 31, 2017 and expires during 2037. Additionally, the remaining portion of available net operating loss carry forwards, approximately \$1,320,000, was attributable to tax years subsequent to December 31, 2017 and may be carried forward indefinitely. The Company's parent, iCode, L.P., has permitted the Company's federal net operating loss carry forwards to be utilized to offset future federal taxable income of the Company. The potential benefit of these net operating losses has not been recognized in these financial statements because the Company cannot be assured of the utilization of the net operating losses carried forward in future years.

The Company uses the accrual method of accounting for income tax reporting purposes. At December 31, 2021, the significant components of the Company's deferred tax assets computed using the federal statutory rate of 21% are summarized as follows:

Deferred tax assets:	
Net operating loss carry forwards	\$ 282,000
Valuation allowance	<u>(282,000)</u>
Net deferred tax assets	<u>\$ -</u>

A reconciliation of income tax benefit at the statutory federal rate of 21% to income tax benefit at the Company's effective tax rate for the year ended December 31, 2021 is as follows:

Income tax benefit at statutory federal rate	\$ (147,000)
Increase in valuation allowance	<u>147,000</u>
	<u>\$ -</u>

iCODE FRANCHISE, INC.
NOTES TO FINANCIAL STATEMENTS

7. GOING CONCERN

The Company's financial statements have been prepared assuming that the Company will continue as a going concern and contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has suffered recurring losses from operations and has a net capital deficiency as of December 31, 2021. However, management does not believe these conditions or events to have a significant impact on the Company's ability to meet its obligations.

As indicated within Note 4, the Company's stockholder has historically contributed cash to the Company, in addition to paying certain expenses incurred by the Company, on its behalf. Additionally, as of December 31, 2021, the Company has aggregate deferred franchise fee revenue of approximately \$1,125,000 which will be recognized as revenue in future periods. Further, subsequent to December 31, 2021, the Company's stockholder has demonstrated the ability to continue to provide contributions to the Company sufficient to maintain its operations.

Management believes the Company's stockholder and its affiliates to possess sufficient assets to fund and maintain the Company's operations.

EXHIBIT B
ICODE FRANCHISE, INC.
FRANCHISE DISCLOSURE DOCUMENT
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EXHIBIT C
ICODE FRANCHISE, INC.
FRANCHISE DISCLOSURE DOCUMENT
AREA DEVELOPMENT AGREEMENT



**ICODE FRANCHISE, INC.
AREA DEVELOPMENT AGREEMENT**

**AREA DEVELOPMENT AGREEMENT
SUMMARY PAGES**

EFFECTIVE DATE: _____

DEVELOPER: _____

ADDRESS FOR NOTICES: _____

TELEPHONE NUMBER: _____

FACSIMILE NUMBER: _____

E-MAIL ADDRESS: _____

DEVELOPMENT FEE: \$_____

DEVELOPMENT AREA: _____

**NUMBER OF SCHOOLS
TO BE DEVELOPED:** _____

TRANSFER FEE

(CONVENIENCE OF OPERATION):

\$2,500 payable if you are an individual transferring to a Business Entity for convenience of operation, or if your Owners are transferring among themselves a minority ownership interest to one or more third parties.

**ICODE FRANCHISE, INC.
ADDRESS FOR NOTICE**

iCode Franchise, Inc.
4577 Ohio Drive
Frisco, TX 75035

Franchisor Initial

Developer Initial

**AREA DEVELOPMENT AGREEMENT
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- Attachment A Glossary of Additional Terms
- Attachment B Development Schedule
- Attachment C Entity Information
- Attachment D Guaranty and Personal Undertaking

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (“**Agreement**”) is made and entered into as of the Effective Date reflected in the Summary Pages (“**Effective Date**”), by and between iCode Franchise, Inc. (“**Franchisor**”), and the Developer identified in the Summary Pages (“**you**”).

A. Franchisor has acquired the license to use and sublicense the use of a distinctive business format and operating system relating to a business that offers proprietary STEAM-based educational courses and other programs that may be developed periodically, to children and adults (“**System**”);

B. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark “**ICODE**” and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (“**Marks**”).

C. You desire the right to develop multiple iCode Schools under the System and Marks (“**iCode Schools**”) and Franchisor desires to grant you such rights, all pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1: GRANT

1.1. Grant of Development Rights

1.1.1. Franchisor hereby grants to you, and you hereby accept, the right and obligation, to develop the number of iCode Schools in the Development Area (identified in the Summary Pages) within the timeframe set forth in the Development Schedule (identified in Attachment B). Each iCode School to be developed shall be developed and operated pursuant to a separate Franchise Agreement in accordance with Section 4.1.

1.1.2. This Agreement grants you no right or license to use any of the Marks; your right to operate an iCode School and license to use the Marks derives solely from the Franchise Agreements that you will enter into under this Agreement. The development rights granted under this Agreement belong solely to you: you may not share them, divide them, subfranchise or sublicense them, or transfer them, except in accordance with the transfer provisions of this Agreement.

1.2. Development Area Protection

1.2.1. During the term of this Agreement, neither Franchisor nor its Affiliate will operate or grant anyone but you the right to operate another iCode School in your Development Area, and neither Franchisor nor its Affiliate will provide or grant anyone but you the right to provide in-person STEAM-based classes in the Development Area.

1.2.2. Franchisor reserves to itself all other rights in and to use the Marks. These include, without limitation:

1.2.2.1. the right to operate and grant others the right to operate iCode Schools and businesses outside the Development Area, regardless of proximity to the Development Area;

1.2.2.2. the right to advertise and market the services of other iCode Schools and businesses, without geographic limitation, which may result in another iCode School or business enrolling students who live the Development Area;

1.2.2.3. the right to offer online STEAM-based classes and to solicit enrollment for these classes either online or through partnerships with schools, STEM/STEAM centers, corporations, and other organizations. Some of these locations may be in the Development Area, and some students may live or go to school in the Development Area; and

1.2.2.4. the right to distribute products, such as books, robotics, course materials, and games, through alternate channels of distribution, such as online and retail sales.

You are not entitled to any compensation for sales made to customers in your Development Area, or if customers who reside in your Development Area enroll in a different iCode School or business.

1.2.3. Nothing in this Agreement prohibits or restricts Franchisor or its Affiliate from owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses in the Development Area under a different trademark or service mark (*i.e.*, a mark other than ICODE), whether or not the business is the same as or competitive with iCode Schools.

1.2.4. In addition to all rights and remedies available to the Franchisor in law and in equity, if the Developer fails its obligations under the Development Agreement, pursuant to the Development schedule, the Franchisor may in its discretion enforce one or all of the following: (1) terminate or modify any territorial protections granted to the Developer, including termination of this Agreement, (2) reduce the size of the Development Area, or (3) reduce the number of Schools which Developer establish under the Development Schedule. Developer hereby acknowledges that upon expiration of the Term of this Agreement or termination of this Agreement, the Franchisor shall have full right to own, operate, franchise, or license others to operate additional iCode Schools inside and outside of the Development Area

ARTICLE 2: TERM OF DEVELOPMENT AGREEMENT

2.1. Term. Unless sooner terminated, the term (“**Term**”) of this Agreement begins on the Effective Date and expires on the earlier of: the date on which you have completed your development obligations under this Agreement, or 12:00 midnight CST on the last day of the last Development Period.

2.2. Effect of Termination or Expiration. Upon termination or expiration of this Agreement, all territorial protection afforded under this Agreement ends, and you have no further right to develop any iCode Schools for which a Franchise Agreement has not been signed. Termination or expiration of this Agreement does not affect any rights or obligations under any then-existing Franchise Agreement.

ARTICLE 3: FEES

3.1. Development Fee. Upon execution of this Agreement, you shall pay to Franchisor a Development Fee in the amount set forth in the Summary Pages (“**Development Fee**”). The Development Fee is fully earned by Franchisor when paid and is not refundable, in whole or in part, under any circumstances.

3.2. Initial Franchise Fee. When you sign a Franchise Agreement for the first iCode School to be developed under this Agreement, Franchisor will credit \$35,000 of your Development Fee payment against the \$35,000 initial franchise fee, and you will owe a zero balance. When you sign each additional Franchise Agreement contemplated under this Agreement, \$35,000 of the area development fee will then be credited toward the initial franchise fee to fully satisfy the initial franchise fee due under the franchise agreement.

3.3. Veteran’s Discount. Veterans of the U.S. Armed Forces are eligible to receive a 10% discount on their Initial Franchise Fee for the first iCode School Program or iCode Reach Program franchise awarded. To qualify for the discount, the veteran must own at least a 50% interest in the franchise. “Veteran” means a recipient of an honorable discharge as evidenced by the U.S. Department of Defense and provide documentation (DD-214). It is the veteran’s responsibility to send us the required documents in order to obtain the discount. The Initial Franchise Fee regardless of Veteran’s Discount is payable in lump sum and are non-refundable.

ARTICLE 4: DEVELOPMENT SCHEDULE; EXERCISING DEVELOPMENT RIGHTS

4.1. Separate Franchise Agreements. The Franchise Agreement for the first iCode School to be developed under this Agreement is the form attached as Attachment E. The Franchise Agreement for the second and each additional iCode School to be developed will be the form that Franchisor is offering new franchisees at that

time. The terms of subsequent Franchise Agreements may be materially different from the terms of Attachment E; however, the initial franchise fee for the second and additional iCode School will be \$35,000.

4.2. Development Schedule. Recognizing that time is of the essence, you agree to satisfy the Development Schedule. Your failure to adhere to the Development Schedule is a material default under Article 9 of this Agreement.

4.3. Manner for Exercising Development Rights.

4.3.1. Before exercising any development right granted hereunder, you shall apply to Franchisor for a franchise to operate an iCode School. If Franchisor, in its sole discretion, determines that you have met each of the following operational, financial, and legal conditions, then Franchisor will grant you a franchise for each respective iCode School:

4.3.1.1. Operational Conditions: You are in compliance with the Development Schedule and this Agreement, and you or your Affiliates are in compliance with any other agreement between them and Franchisor or its Affiliates. You are conducting the operation of your existing iCode School(s), if any, and are capable of conducting the operation of the proposed iCode School in accordance with the terms and conditions of this Agreement, the respective Franchise Agreements, and the standards, specifications, and procedures set forth and described in the Manual (defined in the Franchise Agreement).

4.3.1.2. Financial Conditions: You and your Owners satisfy Franchisor's then-current financial criteria for developers and Owners of iCode Schools. You and your Owners have been and are faithfully performing all terms and conditions under each of the existing Franchise Agreements with Franchisor. You are not in default and have not been in default during the 12-month period immediately preceding your request for financial approval, of any monetary obligations owed to Franchisor or its Affiliates under any Franchise Agreement or any other agreement between you or your Affiliates and Franchisor or its Affiliates. You acknowledge and agree that it is vital to Franchisor's interest that each of its franchisees must be financially sound to avoid failure of an iCode School and that such failure would adversely affect the reputation and good name of iCode and the System.

4.3.1.3. Legal Conditions: You have submitted to Franchisor, in a timely manner, all information and documents requested by Franchisor as a basis for the issuance of individual franchises or pursuant to any right granted to you by this Agreement or by any Franchise Agreement.

4.4. Development Schedule. Acknowledging that time is of the essence, you agree to exercise your development rights according to Section 4.3 and the Development Schedule reflected Attachment B. You may, subject to the terms and conditions of this Agreement and with Franchisor's prior written consent, which may be withheld in its sole discretion, develop more than the total minimum number of iCode Schools which you are required to develop during any Development Period. Any iCode School developed in excess of the minimum number of iCode Schools required to be developed shall be applied to satisfy your development obligation during the next succeeding Development Period, if any. Notwithstanding the above, you shall not open or operate more than the cumulative total number of iCode Schools you are obligated to develop under the Development Schedule.

4.4.1. If during the term of this Agreement, you cease to operate any iCode School developed under this Agreement for any reason, you shall develop a replacement iCode School. The replacement iCode School shall be developed within a reasonable time (not to exceed 120 days) after you cease to operate the original School. If, during the term of this Agreement, you transfer your interest in a School in accordance with the terms of the applicable Franchise Agreement for the iCode School, the transferred iCode School will continue to be counted in determining whether you have complied with the Development Schedule so long as it continues to be operated as an iCode School. If the transferred iCode School ceases to be operated as an iCode School during the term of this Agreement, you shall develop a replacement iCode School within a reasonable time (not to exceed 120 days) thereafter.

4.4.2. Your failure to adhere to the Development Schedule (including any extensions thereof, approved by Franchisor in writing) or to any time period for the development of replacement iCode Schools is a material breach of this Agreement.

4.4.3. You acknowledge and agree that you have conducted an independent investigation of the business contemplated under this Agreement, that you fully understand your obligations under this Agreement, and that you recognize and assume all associated risks. In addition, you acknowledge that Franchisor makes no representation: (a) that your Development Area contains a sufficient number of acceptable locations to meet the number of iCode Schools to be developed under the Development Schedule; or (b) that your Development Area is sufficient to economically support the number of iCode Schools to be developed under the Development Schedule. You acknowledge that you have performed all related and necessary due diligence before your execution of this Agreement and that, accordingly, you assume the risk of identifying a sufficient number of acceptable locations within the Development Area and the economic risk of developing the number of iCode Schools set forth in Exhibit B.

4.5. Projected Opening Dates. You acknowledge that the Projected Opening Date for each iCode School to be developed hereunder is reasonable. Subject to your compliance with Section 4.3, hereof, you shall execute a Franchise Agreement for each iCode School at or prior to the applicable execution date set forth in the Summary Pages, which shall be a date no later than 10 months prior to the Projected Opening Date for the applicable iCode School.

4.5.1. No later than 11 months prior to expiration of a Development Period expiration date, you shall request to sign a Franchise Agreement for each iCode School to be developed during the Development Period.

4.5.2. Upon receiving your request, Franchisor shall deliver to you its then-current form of Franchise Disclosure Document and execution copies of its then-current form of Franchise Agreement.

4.5.3. No later than the Franchise Agreement Execution Date identified in the Development Schedule (but no sooner than as permitted by law), you shall sign and return a signed copy of the Franchise Agreement and payment of the initial franchise fee (less any applicable development credit) due thereunder.

4.5.4. Franchisor shall approve and countersign the Franchise Agreement if:

4.5.4.1. You are in compliance with this Agreement and all other agreements between you or your Affiliates and Franchisor including, without limitation, all Franchise Agreements signed under this Agreement. If this condition is not met, Franchisor may require you to cure any deficiencies before it approves and countersigns the Franchise Agreement.

4.5.4.2. You have demonstrated to Franchisor, in Franchisor's sole discretion, your financial and other capacity to perform the obligations set forth in the proposed new Franchise Agreement.

4.5.4.3. You, your Owners, each of your Affiliates, and their Owners who have a then-currently effective Franchise Agreement or Development Agreement with Franchisor has signed a general release, in a form prescribed by Franchisor, of any and all claims that the party has, had, or claims to have against Franchisor and/or its Affiliates and their respective officers, directors, agents and employees, whether the claims are known or unknown, arising out of or relating to this Agreement, any Franchise Agreement, the relationship created by this Agreement or any Franchise Agreement, and the offer and sale of the iCode franchise opportunity.

4.6. Extension of Development Period. You, at your option, may obtain a 120-day extension to any Development Period, by delivery to Franchisor written notice of the desired extension with payment of a \$5,000 extension fee. Upon delivery of notice and full payment, the current Development Period will be extended for 120 days, and the Development Schedule shall be adjusted appropriately. No more than two extensions may be obtained during the term of this Agreement.

ARTICLE 5: DEVELOPER'S OBLIGATIONS

5.1. Satisfaction of Development Schedule. You shall execute a Franchise Agreement for each iCode School contemplated under this Agreement in accordance with Section 4.1 and the Development Schedule and shall establish and operate each iCode School in accordance with the terms and conditions of the respective Franchise Agreement.

5.2. Compliance with Laws. You shall fully comply with all federal, state, and local laws, rules, and regulations when exercising your rights and fulfilling your obligations under this Agreement.

ARTICLE 6: CONFIDENTIALITY

6.1. Nondisclosure of Confidential Information. You shall maintain the confidentiality of all Confidential Information. You shall use Confidential Information only in connection with the development and operation of the iCode Schools, and you shall divulge Confidential Information only to your employees, and only on a need-to-know basis. This obligation shall survive expiration or termination of this Agreement.

ARTICLE 7: INDEPENDENT CONTRACTOR, INSURANCE AND INDEMNIFICATION

7.1. Independent Contractor. The parties acknowledge and agree that you are operating the business contemplated under this Agreement as an independent contractor. Nothing contained in this Agreement shall create or be construed to create a partnership, joint venture, or agency relationship between the parties. Neither party has any fiduciary obligations to the other or will be liable for the debts or obligations of the other. Neither party has the right to bind the other, transact business in the other party's name or in any manner make any promises or representations on behalf of the other party, unless otherwise agreed in writing by the parties. You shall conspicuously identify yourself and the business contemplated under this Agreement in all dealings with your customers, contractors, suppliers, public officials, and others, as an independent franchisee of Franchisor, and shall place a conspicuous notice, in the form and at such place as Franchisor prescribes, notifying the public of such independent ownership.

7.2. Insurance Obligations.

7.2.1. You must obtain and maintain insurance that meets our minimum insurance requirement as stated below. You shall maintain in full force and effect at all times during the Term of this Agreement, at your expense, an insurance policy or policies meeting Franchisor's minimum insurance requirements. Each such policy shall be written by an insurance with an A.M. Best rating of not less than A-VII, shall be primary and non-contributory to any insurance carried by Franchisor or its Affiliates., and shall contain a waiver of subrogation in favor of Franchisor and its Affiliates. Franchisor has the right to increase or modify required minimum coverages at any time. Your obligation to obtain and maintain insurance is not limited in any way by reason of any insurance maintained by Franchisor, and your compliance with minimum insurance requirements will not relieve you of your indemnification obligations under Section 7.3 of this Agreement. At least 10 days prior to the time you are first required to carry insurance, and thereafter at least 30 days prior to the expiration of any policy, you shall deliver to Franchisor certificate of insurance evidencing your compliance with this Article 7. Each certificate of insurance shall expressly provide that no less than 30 days prior written notice shall be given to Franchisor in the event of material alteration to or cancellation or non-renewal of the coverages evidenced by such certificates.

7.2.2. If you fail to procure or maintain these minimum insurance requirements, Franchisor or its designee has the right (but is not required) to procure such insurance on your behalf. Such right shall be in addition to and not in lieu of any other rights or remedies available to Franchisor. If this occurs, you shall reimburse Franchisor the cost of the premium and pay a reasonable administrative fee not to exceed \$500, upon demand.

7.2.3. Failure to obtain and maintain insurance requirement may lead to termination of this Agreement at our discretion.

7.3. Indemnification. You shall indemnify and hold harmless to the fullest extent by law, Franchisor, its Affiliates and their respective directors, officers, managers, employees, shareholders, and agents, (collectively, “**Indemnitees**”) from all “**losses and expenses**” (as hereinafter defined) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof arising out of or related to the business contemplated under this Agreement (“**event**”), and regardless of whether same resulted from any strict or vicarious liability imposed by law on the Indemnitees; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence of Indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided in this Agreement shall extend to any finding of comparative negligence or contributory negligence attributable to you). For the purpose of this Section 7.3, the term “**losses and expenses**” include compensatory, exemplary, or punitive damages; fines and penalties; attorneys’ fees; experts’ fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to Franchisor’s reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. You shall give Franchisor prompt notice of any event of which you are aware, for which indemnification is required, and, at your expense and risk, Franchisor may elect to assume (but under no circumstance is obligated to undertake) the defense and/or settlement thereof, provided that Franchisor will seek your advice and counsel. Any assumption by Franchisor shall not modify your indemnification obligation. Franchisor may, in its sole and absolute discretion, take such actions as it seems necessary and appropriate to investigate, defend, or settle any event or take other remedial or corrective actions with respect thereof as may be, in Franchisor’s sole and absolute discretion, necessary for the protection of the indemnities or the System.

ARTICLE 8: TRANSFER OF INTEREST

8.1. Transfer by Franchisor. Franchisor may transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor’s obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations and shall become solely responsible for all of Franchisor’s obligations under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, you expressly affirm and agree that Franchisor and/or its Affiliates may sell their assets, the Marks, Copyrighted Works or the System; may sell securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands, or damages arising from or relating to the loss of Franchisor’s name, the Marks (or any variation thereof), Copyrighted Works, and System and/or the loss of association with or identification of iCode Franchise, Inc., as the franchisor under this Agreement. You specifically waive any and all other claims, demands, or damages arising from or related to the foregoing merger, acquisition, and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract, or breach of the implied covenant of good faith and fair dealing. You agree that Franchisor has the right, now or in the future, to purchase, merge, acquire, or affiliate with an existing competitive or non-competitive franchise network, chain, or any other business regardless of the location of that chain’s or business’ facilities, and to operate, franchise or license those businesses and/or facilities as iCode Schools operating under the Marks or any other marks following Franchisor’s purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be proximate to any iCode School developed under this Agreement).

8.2. Transfer by Individual Developer to Business Entity for Convenience. If you are an individual, you may transfer your interest in this Agreement to a Business Entity for convenience of operation within the first 12 months of this Agreement by signing Franchisor’s standard form of assignment and assumption agreement if: (a) the Business Entity is formed solely for purposes of continuing your development rights

and obligations; **(b)** you provide a written notice to Franchisor which includes a copy of the Business Entity's formation and governing documents and a certificate of good standing from the jurisdiction under which the Business Entity was formed; **(c)** you sign a general release in favor of Franchisor and in the form Franchisor requires; and **(d)** you pay to Franchisor Transfer Fee in the amount set on the Summary Page of this Agreement.

8.3. Transfer Among Owners; Transfer of Non-Controlling Interest. If you are a Business Entity, your Owners may transfer their ownership interests in the Business Entity among each other, if: **(a)** you have provided to Franchisor advance notice of the transfer; **(b)** Attachment C to this Agreement has been amended to reflect the new ownership; **(c)** each new Owner has signed a Guaranty and Personal Undertaking in the form of Attachment D; **(d)** each previous and/or new Owner has signed a general release in favor of Franchisor and in the form Franchisor requires, and **(e)** you pay to Franchisor Transfer Fee in the amount set forth on the Summary Page of this Agreement.

8.4. Transfer of Agreement; Transfer of Controlling Interest. You shall not attempt nor do you have any rights to any other transfers (including any sale or transfer of your interest in this Agreement and the sale of a Controlling Interest in you if you are a Business Entity). Developer hereby acknowledges and agrees that any such attempted transfer shall be a material default of this Agreement and subject to termination pursuant to Article 9 of this Agreement. Any transfer or attempted transfer of Controlling Interest of the Developer or Developer's rights in this Agreement in contravention of this Agreement shall, to the fullest extent permitted by law, be absolutely null and void ab initio and of no force or effect, on or against the Developer, the buyer or such interest, any member, any creditor of the Developer or any claimant against Developer and may be enjoined, and shall not be recorded or otherwise registered on the books and records.

8.5. Transfer of Franchise Agreements. Notwithstanding Section 8.4 of this Agreement, you may, with Franchisor's prior written consent, execute and contemporaneously assign your right to enter into a Franchise Agreement pursuant to this Agreement to a business entity under common control with you if: **(a)** such business entity executes and complies with the terms and conditions of the Franchise Agreement; and **(b)** you pay Franchisor a Franchise Assignment Fee in the amount of \$5,000.

8.6. Transfers Void. Any purported transfer, by operation of law or otherwise, made without Franchisor's prior written consent will be considered null and void and will be considered a material breach of this Agreement.

8.7. Security Interest. You may grant a security interest in this Agreement or the franchise represented by this Agreement only to the limited extent permitted by Section 9-408 of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in this Agreement or the franchise without Franchisor's consent.

8.8. Private or Public Offerings. If you are a Business Entity and you intend to issue equity interests pursuant to a private or public offering, you shall first obtain Franchisor's written consent, which consent shall not be unreasonably withheld. You must provide to Franchisor for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Marks or otherwise) that Franchisor is participating in an underwriting, issuance or offering of your securities, and Franchisor's review of any offering shall be limited to ensuring compliance with the terms of this Agreement. Franchisor may condition its approval on satisfaction of any or all of the conditions set forth in Section 8.4 and on execution of an indemnity agreement, in a form prescribed by Franchisor, by you and any other participants in the offering. For each proposed offering, you shall pay to Franchisor a retainer in an amount determined by Franchisor, which Franchisor shall use to reimburse itself for the reasonable costs and expenses it incurs (including, without limitation, attorneys' fees and accountants' fees) in connection with reviewing the proposed offering.

8.9. Right of First Refusal.

8.9.1. If you receive a bona fide offer to purchase your interest in this Agreement or all or substantially all of the assets of the Franchised Business in connection with the transferee's execution of an Area Development Agreement, or if any Owner receives a bona fide offer to purchase his or her equity interests in you, and if you or such Owner wishes to accept such offer, you or the Owner must deliver to Franchisor written notification of the offer and, except as otherwise provided herein, Franchisor shall have the option, exercisable within 30 days after receipt of such written notification, to purchase the seller's interest on the same terms and conditions offered by the third party. If the bona fide offer provides for the exchange of assets other than cash or cash equivalents, the bona fide offer shall include the fair market value of the assets and you shall submit with the notice an appraisal prepared by a qualified independent third party evidencing the fair market value of such assets as of the date of the offer.

8.9.2. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. If Franchisor elects to purchase the seller's interest, closing on such purchase must occur by the later of: (a) the closing date specified in the third-party offer; or (b) within 60 days from the date of notice to the seller of Franchisor's election to purchase. Franchisor's failure to exercise the option described in this Section 8.9 shall not constitute a waiver of any of the transfer conditions set forth in this Article 8.

8.10. Transfer Upon Death or Incapacitation. Upon the death or permanent incapacity (mental or physical) of the Developer or any Owner, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six months after such death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as a lifetime transfer, except that the transfer fee shall be waived. In the case of transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Article 8, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within six months, which disposition shall be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within such period, Franchisor may, at its option, terminate this Agreement, pursuant to Section 9.5.

8.11. Non-Waiver of Claims. Franchisor's consent to a transfer shall not constitute a waiver of any claims it may have against the transferring party, and it will not be deemed a waiver of Franchisor's right to demand strict compliance with any of the terms of this Agreement, or any other agreement to which Franchisor's and the transferee are parties, by the transferee.

ARTICLE 9: DEFAULT AND TERMINATION

9.1. Termination In the Event of Bankruptcy or Insolvency. You shall be deemed to be in default under this Agreement, and all rights granted to you in this Agreement shall automatically terminate without notice, if you 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 you and you do not oppose it; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver for 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 is instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against any Franchised Location premises or assets or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable.

9.2. Termination with Notice and Without Opportunity to Cure. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of notice without opportunity to cure if: (a) you fail to meet the Development Schedule; (b) you or any Owner is convicted of, or pleads no contest to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System; (c) there is any transfer or attempted transfer in violation of Article 8 of this Agreement; (d) you or any Owner fails to comply with the confidentiality or non-compete covenants in Article 6 and Article 10 of this Agreement; (e) you or any Owner has made any material misrepresentations in connection with your developer application; or (f) Franchisor delivers to you three or more written notices of default pursuant to this Article 9 within any rolling 12-month period, whether or not the defaults described in such notices ultimately are cured.

9.3. Termination with 10-Day Cure Period. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure the following defaults within 10 days after delivery of written notice: (a) failure to obtain or maintain required insurance coverage; (b) failure to pay any amounts due to Franchisor; (c) failure to pay any amounts due to your trade creditors (unless such amount is subject to a bona fide dispute); or (d) failure to pay any amounts for which Franchisor has advanced funds for or on your behalf, or upon which Franchisor is acting as guarantor of your obligations.

9.4. Termination with 30-Day Cure Period. Except as otherwise provided in this Article 9, Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure any curable default within 30 days after delivery of written notice.

9.5. Termination Related to Death or Permanent Incapacity. Franchisor has the right to terminate this Agreement if an approved transfer as required by Section 8.10 is not effected within the designated time frame following an Owner's death or permanent incapacity (mental or physical).

9.6. Cross-Default. Any default under any agreement between you and Franchisor or its Affiliates, which your failure to cure within any applicable cure period, shall be considered a default under this Agreement and shall provide an independent basis for termination of this Agreement.

9.7. Additional Remedies. If you are in Default of this Agreement, Franchisor may, in its sole discretion, elect to reduce the number of iCode Schools which you may establish pursuant to the Development Schedule. If Franchisor elects to exercise this remedy as set forth above, you agree to continue to develop iCode Schools in accordance with your rights and obligations under this Agreement, as modified. Franchisor's exercise of its remedy under this Section 9.7 shall not constitute a waiver by Franchisor to exercise Franchisor's option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

ARTICLE 10: COVENANTS

10.1. Confidentiality. You shall maintain the confidentiality of all Confidential Information. You shall use Confidential Information only in connection with the operation of the Franchised Business and shall divulge Confidential Information only to your employees and only on a need-to-know basis.

10.2. Non-Competition During Term of Agreement. You and each Owner acknowledge that you and each Owner will receive valuable specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques and trade secrets of Franchisor and the System. You and each Owner covenant and agree that during the term of this Agreement, except as otherwise approved in writing by Franchisor, you and, if applicable, such Owner, shall not, either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, or legal entity:

10.2.1. Divert or attempt to divert any present or prospective customer of the Franchised Business or any other business operating under the Marks to any competitor, by direct or indirect inducement or

otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

10.2.2. Oppose the issuance of building permits or zoning variants or other governmental approval required for the development of another iCode School.

10.2.3. Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business, other than an iCode School or iCode Reach, at any location within the United States, its territories or commonwealths, or any other country, province, state, or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks.

10.3. Non-Competition After Expiration or Termination of Agreement. For a continuous two-year period commencing upon a transfer permitted under Article 8 of this Agreement, expiration of this Agreement (without renewal), or termination of this Agreement (regardless of the cause for termination), you shall not either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, persons, or legal entity, own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with any Competitive Business **(a)** is, or is intended to be, located in the Development Area, **(b)** is, or is intended to be, located within a 25- mile radius of the Development Area, **(c)** is within a 25-mile radius of any iCode School in existence or under development at the time of such expiration, termination, or transfer; or **(d)** is within the protected area of any iCode Reach in existence or under development at the time of such expiration, termination, or transfer. If any Owner ceases to be an Owner of the franchisee for any reason during the franchise time, the foregoing covenant shall apply to the departing Owner for a two-year period beginning on the date such person ceases to meet the definition of an Owner. This two-year period shall be tolled during any period of noncompliance.

10.4. Additional Provisions. The parties acknowledge and agree that Franchisor has the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 10.1 and 10.2, or any portion thereof, without your consent or the consent of any Owner, effective immediately upon delivery of written notice to the affected party; and you and each Owner agree that such person shall comply forthwith with any covenant as so modified, which shall be fully enforceable. You and each Owner expressly agree that the existence of any claims you may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 10. You agree to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Article 10.

10.5. Breach of Covenants Causes Irreparable Injury. You acknowledge that your violation of any covenant of this Article 10 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and you consent to the issuance of, and agree to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an *ex parte* or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

10.6. Exception for Publicly Held Companies. The foregoing restrictions shall not apply to your ownership or any Owner's ownership of less than a 5% beneficial interest in the outstanding equity securities of any company registered under the Securities Act of 1933 or the Securities Exchange Act of 1934.

ARTICLE 11: REPRESENTATIONS

11.1. Representations of Franchisor. Franchisor represents and warrants that **(a)** Franchisor is duly organized and validly existing under the law of the state of its formation; **(b)** Franchisor is duly qualified and authorized to do business in each jurisdiction in which its business activities or the nature of the properties it owns requires such qualification; and **(c)** the execution of this Agreement and the performance of the transactions contemplated by this Agreement are within Franchisor's corporate power and have been duly authorized.

11.2. Representations of Developer.

11.2.1. You represent and warrant that the information set forth in Attachment C, incorporated by reference hereto, is accurate and complete in all material respects. You shall notify Franchisor in writing within 10 days of any change in the information set forth in Attachment C. You further represent to Franchisor that (a) you are duly organized and validly existing under the law of the state of your formation; (b) you are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification; (c) your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the development and operation of the Franchised Business; (d) neither you nor any of your Affiliates or Owners own, operate, or have any financial or beneficial interest in any business that is the same as or similar to a Franchised Business; and (e) the execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under its written partnership or limited liability company agreement and have been duly authorized.

11.2.2. You acknowledge that you have conducted an independent investigation of the proposed franchise, and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent on your ability as an independent business person.

11.2.3. You represent to Franchisor that neither Franchisor nor its agents or representations have made any representations concerning actual or potential sales, expenses, or profit of a Franchised Business, except for information that may have been contained in Item 19 of the franchise disclosure document delivered to you in connection with your purchase of an iCode franchise.

11.2.4. You acknowledge that you have received a complete copy of Franchisor’s Franchise Disclosure Document at least 14 calendar days before you signed this Agreement or paid any consideration to Franchisor for your franchise rights.

11.2.5. You acknowledge that you have read and that you understand the terms of this Agreement and its attachments, and that you have had ample time and opportunity to consult with an attorney or business advisor of your choice about the potential risks and benefits of entering into this Agreement.

11.2.6. You represent that neither your property nor any interest in your property, nor the property of any of your Owners, officers, directors, managers, partners, agents or employees, or their respective interests therein, have been blocked pursuant to Executive Order 13224 of September 23, 2001, pertaining to persons who commit, threaten to commit, or support terrorism (“**Blocked Persons**”). You represent and warrant to Franchisor that you will not accept money from or employ any Blocked Person.

ARTICLE 12: APPLICABLE LAW; DISPUTE RESOLUTION

12.1. Choice of Law. This Agreement and all claims arising out of or related to this Agreement, the parties’ relationship created hereby, and/or the offer and sale of the franchise opportunity shall be construed under and governed exclusively by the laws of the State of Texas (without giving effect to any conflict of laws) unless application of such law is determined to be prohibited by another state’s public policy.

12.2. Mediation.

12.2.1. The parties acknowledge that during the term of this Agreement certain disputes may arise that the parties are unable to resolve, but that may be resolvable through mediation. To facilitate such resolution, Franchisor, you, and each Owner agree to submit to mediation any claim, controversy or dispute between You and Franchisor (and either party’s respective Affiliates) including, without limitation, claims arising out of or related to: (a) this Agreement or any other agreement between Franchisor and you, (b) Franchisor’s relationship with you, or (c) the validity of this Agreement or any other agreement between Franchisor and you,

before bringing such claim, controversy or dispute in a court or before any other tribunal.

12.2.2. The mediation shall be conducted by a mediator agreed upon by Franchisor and you and, failing such agreement within not more than 15 days after either party has notified the other of its desire to seek mediation, by the American Arbitration Association or any successor organization (“AAA”) in accordance with its rules governing mediation. Mediation shall be held at the offices of the AAA in the city in which Franchisor maintains its principal place of business at the time mediation is initiated. The costs and expenses of mediation, including the compensation and expenses of the mediator (but excluding attorneys’ fees incurred by either party), shall be borne by the parties equally.

12.2.3. If the parties are unable to resolve the claim, controversy, or dispute within 90 days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may bring a legal proceeding pursuant to Section 12.3. The parties agree that statements made during such mediation proceeding will not be admissible for any purpose in any subsequent legal proceeding.

12.2.4. Notwithstanding the foregoing provisions of this Section 12.2, the parties’ agreement to mediate shall not apply to controversies, disputes, or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, your misuse or infringement of the Marks, or your misuse of Confidential Information. Moreover, regardless of this mediation agreement, Franchisor and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief in any court of competent jurisdiction.

12.2.5. Neither illness, Covid or Contagion, inconvenience, weather, or any other reason shall serve to excuse your personal appearance for mediation.

12.3. Arbitration.

12.3.1. Any dispute, controversy, or claim between the parties or their respective affiliates or owners, including without limitation, claims arising out of or relating to this Agreement and the relationships created hereby that are not resolved during the mediation process described in Section 12.2, must be resolved by arbitration. The arbitration must be administered in accordance with the Commercial Rules of the AAA. The Arbitrator must be a person experienced in franchising or franchise law who has no prior business or professional relationship with either party. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) (“FAA”). Judgment upon the arbitrator’s award may be entered in any court of competent jurisdiction, and the arbitrator must state in writing the reasoning upon which the award is based. The costs and expenses of arbitration paid to the AAA or to the arbitrator will be paid equally by the parties. All other arbitration-related expenses, including but not limited to, attorneys’ fees and travel expenses, will be paid by the party that incurred such expense.

12.3.2. Arbitration will be conducted in the city in which Franchisor maintains its principal business offices at the time of the arbitration. Arbitration will be conducted on an individual, not a class wide, basis and an arbitration proceeding between the parties and their respective owners, officers, directors, agents, and/or employees may not be consolidated with any other arbitration proceeding between Franchisor and any other person. The arbitrator has no power or authority to award punitive damages.

12.3.3. For avoidance of doubt, this provision specifically requires both parties to arbitrate our disputes through the American Arbitration Association (“AAA”). The arbitration process allows the disputes to be heard and decided by one arbitrator, selected using the AAA’s standard selection process, apply the law to the facts and evidence presented and where we will not use the local court system or its judges. By signing this franchise agreement, you are consenting to resolve disputes through arbitration administered by the AAA, using the current AAA commercial rules.

12.3.4. Any disputes concerning the enforceability or scope of this arbitration provision must be resolved pursuant to the FAA, and the parties agree that the FAA preempts any state law restrictions

(including the site of the arbitration) on the enforcement of this arbitration provision.

12.3.5. If you institute any claim subject to this arbitration proceeding in any court, and Franchisor succeeds in a motion to compel arbitration of the claim, you must reimburse Franchisor its reasonable attorneys' fees and costs in defending the action and in its motion to compel arbitration.

12.3.6. Notwithstanding the foregoing, Franchisor has the right to apply to any court of competent jurisdiction for injunctive relief to prevent continued or threatened harm while arbitration is pending. You and your Owners irrevocably consent to personal jurisdiction in the state and federal courts located in the county in which Franchisor maintains its principal place of business for this purpose.

12.3.7. Notwithstanding the foregoing provisions of this Section 12.3., the parties' agreement to arbitrate will not apply to controversies, disputes, or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, your misuse or infringement of the Marks, or your misuse of Confidential Information. Moreover, regardless of this arbitration agreement, Franchisor and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief in any court of competent jurisdiction.

12.3.8. Neither illness, Covid or Contagion, inconvenience, weather, or any other reason shall serve to excuse your personal appearance for depositions or evidentiary hearings.

12.4. Venue. Without limiting the generality of the arbitration provision, the parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought and maintained exclusively in the state or federal court serving the judicial district in which Franchisor maintains its principal place of business at the time the action is initiated, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Notwithstanding the foregoing, Franchisor shall have the right to seek injunctive relief from any court of competent jurisdiction.

12.5. Non-exclusivity of Remedy. No right or remedy conferred upon or reserved to Franchisor or You by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

12.6. WAIVER OF JURY TRIAL. FRANCHISOR AND YOU IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

12.7. WAIVER OF PUNITIVE DAMAGES. THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

12.8. Contractual Limitations Period. No legal action or proceeding may be brought against Franchisor or its officers, directors, agents, or employees, for any claim or cause of action (whether sounding in contract, tort, or otherwise) unless such action or proceeding is instituted within two years and one day from the date the claim or cause of action accrued. This provision is intended to shorten any applicable statute of limitations to the extent permitted by law.

12.9. Attorney's Fees. If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorney fees and costs of suit.

ARTICLE 13: CONSTRUCTION

13.1. Entire Agreement. This Agreement and the documents referred to constitute the entire agreement of the parties and supersedes and cancels any and all prior agreements, understandings, representations and statements of the parties. Nothing in this or in any related agreement, however, is intended to disclaim the representations made in the Franchise Disclosure Document. The parties expressly acknowledge that they are entering into this Agreement voluntarily, without any inducement and as a result of their own independent investigation and after consultation with their own attorney. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

13.2. Modification of Franchise Agreement. This Franchise Agreement may only be modified in writing and signed by all parties to this Agreement.

13.3. No Waiver. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless the same is made in writing and duly executed by the party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid.

13.4. Severability. If any part of this Agreement shall for any reason be declared invalid, unenforceable or impaired in any way, the validity of the remaining portions shall remain in full force and effect as if this Agreement has been executed with such invalid portion eliminated.

13.5. Notices. All notices and other communications required to be given in writing shall be deemed given when delivered in person or mailed by certified mail. Unless a change of address is provided to all parties to this Agreement, notices to each party shall be provided at the addresses listed on the Summary Page of this Agreement. You acknowledge that all notices required to be given to us in writing, simultaneously, you shall provide a true and accurate copy to

Canada Lewis & Associates, PLLC,
Attention: Nirali Patel
5550 Granite Parkway, Suite 195
Plano, Texas 75024
Email:NPatel@canadalewis.com

13.6. Terms and Headings. Unless otherwise defined in this body of this Agreement, capitalized terms have the meaning ascribed to them in Attachment A (“**Glossary of Additional Terms**”). All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement. All terms in this agreement, regardless of the number or gender in which they are used, shall be deemed and construed to include any other number singular or plural and any other gender as the context may require. The headings inserted in this agreement are for reference purposes only and shall not affect the construction of this Agreement or limit the generality of any of its provisions.

13.7. Franchise Disclosure Document. You expressly acknowledge that you have received a copy of the most current iCode Franchise Disclosure Document at least 14 days prior to the signing of this Agreement. The Franchise Disclosure Document is included in and made a part of the terms and conditions of this Franchise Agreement.

13.8. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

13.9. Survival of Terms. Any provision or covenant of this Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Agreement shall survive such expiration

or termination.

13.10. Persons Bound. This Agreement shall be binding on the parties and their respective successors and assigns. As applicable, each Owner shall execute the Guaranty and Personal Undertaking attached as Attachment D. Failure or refusal to do so shall constitute a breach of this Agreement. You and each Owner shall be joint and severally liable for each person’s obligations hereunder and under the applicable Guaranty and Personal Undertaking.

13.11. Rules of Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Terms used in this Agreement shall be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

13.12. Timing. Time is of the essence with respect to all provisions in this Agreement. Notwithstanding the foregoing, if performance of either party is delayed on account of a Force Majeure, the applicable deadline for performance shall be extended for a period commensurate with the Force Majeure, but not to exceed 12 months.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the Effective Date set forth above.

FRANCHISOR:

DEVELOPER:

ICODE FRANCHISE, INC.

a Texas corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ICODE FRANCHISE, INC.

CALIFORNIA AMENDMENT TO DEVELOPMENT AGREEMENT

For purposes of complying with the requirements of California law, including the California Franchise Investment Law, CAL. BUS. & PROF. CODE Section 31000 *et seq.* (“**CFIL**”), and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 *et seq.* (the “**CRA**”), iCode Franchise, Inc., a Texas corporation (“**Franchisor**”) and _____ (“**Developer**”), hereby amend the Development Agreement between them dated _____ (the “**Agreement**”) as follows:

1. Sections 20000 through 20043 of the CRA provide rights to Developer concerning nonrenewal and termination of the Agreement. The Federal Bankruptcy Code also provides rights to Developer concerning termination of the Agreement upon certain bankruptcy-related events. To the extent the Agreement contains a provision that is inconsistent with these laws, these laws will control.

2. The Agreement requires Developer to execute a general release of claims upon transfer of the Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 2000 through 20043).

3. The Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Agreement, the covenant may be unenforceable under California law.

4. The Agreement requires litigation, arbitration, or mediation to be conducted in a forum other than the State of California, the requirement may unenforceable under California law.

5. The Agreement requires that it be governed by a state’s law other than the State of California, such requirement may be unenforceable.

6. California Corporations Code section 31512.1 prohibits a franchisor from disclaiming or denying representations made by the franchisor or its agents to a prospective franchisee or a franchisee’s reliance on these representations, or disclaiming violations under the law, in any franchise disclosure document, franchise agreement or a related document. Accordingly, the Agreement is amended to delete Sections 11.2.2 – 11.2.5; the intent being that these sections will have no force or effect with effect to franchises subject to the California Corporations Code section 31512.1.

7. All other provisions of the Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the Effective Date set forth above.

FRANCHISOR:

DEVELOPER:

ICODE FRANCHISE, INC.
a Texas corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ICODE FRANCHISE, INC.

ILLINOIS AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (this “**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “**Development Agreement**”) dated _____, by and between iCode Franchise, Inc, a Texas corporation (“**Franchisor**”), and _____, (“**Developer**”). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Development Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

1. Section 3.1 of the Area Development Agreement is amended to reflect that payment of the development fee will be deferred until Franchisor has met its initial obligations to Franchisee, and Franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to the Franchisor’s financial condition.
2. The Illinois Attorney General’s Office requires that certain provisions contained in franchise documents be amended to be consistent with the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/1-44. To the extent that the Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:
 - Notwithstanding the provisions of the Development Agreement that Texas law shall govern, Illinois law shall apply to and govern any claim between the parties under the Development Agreement that alleges violation of the Illinois Franchise Disclosure Act.
 - 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.
 - Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
 - In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
3. Section 13.1 of the Area Development Agreement is amended to add the following:

Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you.
5. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Amendment. To the extent this Amendment shall be deemed to be inconsistent with any terms or conditions of said Development Agreement or exhibits or attachments thereto, the terms of this Amendment shall govern.
6. No statement, questionnaire, or acknowledgement 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 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.
7. Sections 11.2.2 – 11.2.5 are deleted.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

FRANCHISOR:

ICODE FRANCHISE, INC.

a Texas corporation

DEVELOPER:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

ICODE FRANCHISE, INC.

MARYLAND AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (this “**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “**Development Agreement**”) dated _____, by and between iCode Franchise, Inc, a Texas corporation (“**Franchisor**”), and _____, (“**Developer**”). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Development Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

1. Section 3.1 of the Development Agreement is amended to state “Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by the franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.”
2. Any provision requiring Developer to sign a general release of any and all claims against Franchisor shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law, (the “**Act**”).
3. Any provision requiring Developer to bring an action against Franchisor in any state other than Maryland shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law. Developer may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
4. Notwithstanding anything to the contrary set forth in the Development Agreement, any general release the Developer is required to assent to is not intended to nor shall it act as a release, estoppel or waiver of any liability Franchisor may have incurred under the Maryland Franchise Registration and Disclosure Law.
5. Notwithstanding anything to the contrary set forth in the Development Agreement, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.
6. No statement, questionnaire, or acknowledgement 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 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.
7. Sections 11.2.2 – 11.2.5 are deleted.
8. In the event of any conflict between the terms of this Amendment and the terms of the Development Agreement, the terms of this Amendment shall prevail.

9. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

FRANCHISOR:

DEVELOPER:

ICODE FRANCHISE, INC.

a Texas corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ICODE FRANCHISE, INC.

MINNESOTA AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (this “**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “**Development Agreement**”) dated _____, by and between iCode Franchise, Inc, a Texas corporation (“**Franchisor**”), and _____, (“**Developer**”). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Development Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

1. Section 3.1 of the Development Agreement is amended to reflect that payment of the development fee will be deferred until Franchisor has met its initial obligations to Developer, and Developer has commenced doing business.

2. Minnesota Law. The following paragraphs are added to the end of the Development Agreement:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that (1) a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The Developer cannot be required to consent to the Franchisor obtaining injunctive relief. The Franchisor may seek injunctive relief. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

3. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

4. No statement, questionnaire, or acknowledgement 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 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.

5. Sections 11.2.2 – 11.2.5 are deleted.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

FRANCHISOR :

DEVELOPER :

ICODE FRANCHISE, INC.

a Texas corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ICODE FRANCHISE, INC.

NEW YORK AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (this “**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “**Development Agreement**”) dated _____, by and between iCode Franchise, Inc, a Texas corporation (“**Franchisor**”), and _____, (“**Developer**”). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Development Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

1. To the extent that this Area Development Agreement contains provisions that are inconsistent with New York law, such provisions are hereby amended:
 - (a) If this Area Development Agreement requires that it be governed by a state’s law, other than the State of New York, such requirement should not be considered a waiver of any right conferred upon you by Article 33 of the General Business Laws of the state of New York.
2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York law are met independently without reference to this Amendment.
3. No statement, questionnaire, or acknowledgement 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 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.
4. Sections 11.2.2 – 11.2.5 are deleted.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

FRANCHISOR:

DEVELOPER:

ICODE FRANCHISE, INC.

a Texas corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ICODE FRANCHISE, INC.

VIRGINIA AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (this “**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “**Development Agreement**”) dated _____, by and between iCode Franchise, Inc, a Texas corporation (“**Franchisor**”), and _____, (“**Developer**”). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Development Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

1. Section 3.1 of the Area Development Agreement is amended to reflect that collection of the development fee shall be deferred until after all of the franchisor’s initial obligations are complete and the franchisee is open for business.
2. To the extent that this Area Development Agreement contains provisions that are inconsistent with the Virginia Retail Franchising Act, such provisions are hereby amended:
 - (a) 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 grounds for default or termination stated in the Area Development 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.
 - (b) Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a developer to surrender any right given to him under the franchise. If any provision of the Area Development Agreement involves the use of undue influence by the franchisor to induce a developer to surrender any rights given to him under the franchise, that provision may not be enforceable.
3. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Virginia law are met independently without reference to this Amendment.
4. No statement, questionnaire, or acknowledgement 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 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.
5. Sections 11.2.2 – 11.2.5 are deleted.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

FRANCHISOR:

DEVELOPER:

ICODE FRANCHISE, INC.

a Texas corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ICODE FRANCHISE, INC.

WASHINGTON AMENDMENT TO THE AREA DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (this “**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “**Area Development Agreement**”) dated _____, by and between iCode Franchise, Inc, a Texas corporation (“**Franchisor**”), and _____, (“**Developer**”). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Area Development Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Area Development Agreement shall have the identical meanings in this Amendment.

1. Section 3.1 of the Area Development Agreement is amended to reflect the following:

“Because the Franchisor has material pre-opening obligations with respect to each Franchised Business the Franchisee opens under the Area Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each Franchised Business.”

2. The state of Washington has a statute, RCW 19.100.180, which may supersede the Area Development Agreement, including the termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement including the termination and renewal of your franchise.

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

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

5. Enforcement of non-compete provisions in the state of Washington are subject to state law. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Area Development Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Area Development Agreement or elsewhere are void and unenforceable in Washington.

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

7. Franchisee may terminate the Development Agreement under any grounds permitted by law.

8. Location of arbitration or mediation in the state of Washington is subject to state law.

9. In any litigation, arbitration, or mediation involving a franchise purchased in Washington, the site thereof shall be either in the state of Washington, or in a place mutually agreed upon at that time, or as determined by the judge, arbitrator, or mediator, as applicable.

10. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to this Amendment.

11. No statement, questionnaire, or acknowledgement 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 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.

12. Sections 11.2.2 – 11.2.5 and 13.1 are deleted.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

FRANCHISOR:

DEVELOPER:

ICODE FRANCHISE, INC.
a Texas corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ICODE FRANCHISE, INC.

WISCONSIN AMENDMENT TO THE AREA DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (this “**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the “**Area Development Agreement**”) dated _____, by and between iCode Franchise, Inc, a Texas corporation (“**Franchisor**”), and _____, (“**Developer**”). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Area Development Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Area Development Agreement shall have the identical meanings in this Amendment.

1. The Wisconsin Department of Financial Institutions Sections 31.01 to 32.07 applies to most, if not all, Development Agreements and prohibits the Termination, Cancellation, Non-Renewal of substantial change of the competitive circumstances of a Development Agreement without good cause. The Law further provides that 90 days prior written notice of the proposed termination, etc. must be given to the Developer. The Developer has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. Section 12.1 of the Development Agreement (Choice of Law) is amended to state that the Wisconsin Department of Financial Institutions Sections 31.01 to 32.07 laws supersedes any provisions contained in the Franchise or License Agreement that are consistent with that law.

2. Each provision of this Amendment will be effective only to the extent that, with respect to the provision, the jurisdictional requirements of the Wisconsin Franchise Investment Law is met independently of this Amendment. Franchisor does not waive its right to challenge the enforceability of any state law and declares void or unenforceable any provision contained in this Agreement. Franchisor and Developer will enforce the provisions of this Agreement to the extent permitted by law.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

FRANCHISOR:

DEVELOPER:

ICODE FRANCHISE, INC.

a Texas corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

**ICODE FRANCHISE, INC.
DEVELOPMENT AGREEMENT**

ATTACHMENT A

GLOSSARY OF ADDITIONAL TERMS

“**Affiliate**” means an affiliate of a named person identified as any person or entity that is controlled by, controlling or under common control with such named person.

“**Business Entity**” means any person with the power to enter into contracts, other than a natural person. The term includes a corporation, limited liability company, limited partnership, and trust.

“**Competitive Business**” means any other business or venture that offers or provides STEAM-based educational courses or other services or products that are the same as or substantially similar to those sold at iCode School or iCode Reach businesses, other than an iCode School or iCode Reach operated pursuant to a then-currently effective Franchise Agreement with Franchisor.

“**Confidential Information**” includes Franchisor’s proprietary curricula, teaching aids, and all instructional materials provided to you; all customer information; financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of your operation under the terms of the Area Development Agreement or Franchise Agreement, and all other information that Franchisor designates as “Confidential Information.”

“**Controlling Interest**” means: (a) if you are a corporation or a limited liability company, that the Owners, either individually or cumulatively (i) directly or indirectly own at least 51% of the shares of each class of the developer entity’s issued and outstanding capital stock or membership units, as applicable; and (ii) are entitled, under its governing documents and under any agreements among the Owners, to cast a sufficient number of votes to require such entity to take or omit to take any action which such entity is required to take or omit to take under this Agreement; or (b) if you are a partnership, that the Owners (i) own at least 51% interest in the operating profits and operating losses of the partnership as well as at least 51% ownership interest in the partnership (and at least 51% interest in the shares of each class of capital stock of any corporate general partner); and (ii) are entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement. Any interest less than 51% of the corporation, limited liability company, or partnership is a “**Non-Controlling Interest**.”

“**Copyrighted Works**” means works of authorship which are owned by Franchisor and fixed in a tangible medium of expression including, without limitation, the content of the Manual, the design elements of the Marks, Franchisor’s product packaging and advertising and promotional materials, and the content and design of Franchisor’s Web site and advertising and promotional materials.

“**Development Period**” means each of the time periods indicated on Attachment B during which you shall have the right and obligation to construct, equip, open and thereafter continue to operate iCode Schools.

“**Force Majeure**” means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which you could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with you by any lender, landlord, or other person shall be an event of Force Majeure under this Agreement, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. Your financial inability to perform or your insolvency shall not be an event of Force Majeure under this Agreement.

“Franchise Agreement” means the form of agreement prescribed by Franchisor and used to grant to you the right to own and operate a single iCode School, including all attachments, exhibits, riders, guarantees or other related instruments, all as amended from time to time.

“Owner” means each individual or entity holding a beneficial ownership in the developer entity. It includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a partnership, and the grantor and the trustee of the trust. If any “Owner” is, itself, a partnership or other entity, then the term “Owner” includes each individual or entity holding a beneficial ownership in the partnership or entity; the intent being that the term “Owner” is intended to include all individuals holding a beneficial interest in the franchisee, either directly or indirectly.

“iCode School” means a physical building dedicated to the provision of STEAM-based educational courses using the Marks and System.

“Transfer” for purposes of this Agreement, **“Transfer”** as a verb means to sell, assign, give away, transfer, pledge, mortgage, or encumber either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings) any interest in this Agreement, the License, the business, substantially all the assets of the business, or in the ownership of the franchisee (if you are an Entity). **“Transfer”** as a noun means any such sale, assignment, gift, transfer, pledge, mortgage or encumbrance.

**ICODE FRANCHISE, INC.
DEVELOPMENT AGREEMENT**

ATTACHMENT B

DEVELOPMENT SCHEDULE

The “Development Schedule” is as follows:

Development Period	Expiration Date of Development Period	Cumulative Total Number of iCode Schools which Developer Shall Have Open and in Operation in the Development Area
1		
2		
3		
4		
5		

The “Projected Opening Dates” are as follows:

iCode School	Projected Opening Date	Franchise Agreement Execution Date
1		
2		
3		
4		
5		

IN WITNESS WHEREOF, the parties hereof have executed this Attachment B effective for all purposes as of the Effective Date.

FRANCHISOR:

ICODE FRANCHISE, INC.
a Texas corporation

DEVELOPER:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

**ICODE FRANCHISE, INC.
DEVELOPMENT AGREEMENT**

ATTACHMENT C

ENTITY INFORMATION

If Developer is an entity, you represent and warrant that the following information is accurate and complete in all material respects as of _____.

- (1) Developer is a _____, formed under the laws of the state of _____.
- (2) Upon execution of this Agreement, you shall provide to Franchisor true and accurate copies of the Developer's formation and governing including the certificate of formation, bylaws, operating agreement, partnership agreement, etc., and any amendments.
- (3) You promptly shall provide such additional information as Franchisor may from time-to-time request concerning all persons who may have any direct or indirect financial interest in the franchisee entity.
- (4) The name and address of each of Owner:

Name	Address	Number of Shares or Percentage Interest

FRANCHISOR:

ICODE FRANCHISE, INC.
a Texas corporation

By: _____
Name: _____
Title: _____

DEVELOPER:

By: _____
Name: _____
Title: _____

**ICODE FRANCHISE, INC.
DEVELOPMENT AGREEMENT**

ATTACHMENT D

GUARANTY AND PERSONAL UNDERTAKING

1. I have read the Development Agreement between iCode Franchise, Inc.. (“**Franchisor**”) and _____ (“**Developer**”).
2. I own a beneficial interest in the Developer and would be considered an “**Owner**” within the definition contained in Development Agreement.
3. I understand that, were it not for this Guaranty and Personal Undertaking (“**Guaranty**”), Franchisor would not have agreed to enter into the Development Agreement with the Developer.
4. I will comply with all of the provisions contained in Article 6 of the Development Agreement concerning the use of the Confidential Information. I will maintain the confidentiality of all Confidential Information disclosed to me. I agree to use the Confidential Information only for the purposes authorized under the Development Agreement. I further agree not to disclose any of the Confidential Information, except **(a)** to the Developer’s employees on a need-to-know basis, **(b)** to the Developer’s and my legal and tax professionals to the extent necessary for me to meet my legal obligations, and **(c)** as otherwise may be required by law.
5. I will comply with all of the provisions contained in Article 8 of the Development Agreement concerning the assignment of my Development Agreement.
6. While I am an “Owner” of the Developer and, for a two-year period after I cease to be an Owner (or two years after termination or expiration of the Development Agreement, whichever occurs first), I will not:
 - (a)** Divert or attempt to divert any present or prospective customer of the Franchised Business or any other business operating under the Marks, to any competitor or do anything to harm the goodwill associated with the Marks and the System;
 - (b)** Oppose the issuance of building permits or zoning variants or other governmental approval required for the development of another iCode School;
 - (c)** Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business. This restriction shall apply, while I am an Owner, to any location within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks. It will apply for two years after I cease to be an Owner (or two years after termination or expiration of the Development Agreement, whichever occurs first) to any location that is, or is intended to be, located in the Development Area, within 25 miles from the perimeter of the Development Area, within a 25-mile radius of any other iCode School or within the protected area of any iCode Reach, in existence or under development at the time I cease being an Owner (or termination or expiration of the Development Agreement, whichever occurs first). This two-year period described in this Section 6(c) will be tolled during any period of my noncompliance.
7. I agree that the provisions contained in Article 14 of the Development Agreement will apply to any dispute arising out of or relating to this Guaranty. If Franchisor brings any legal action to enforce its rights under this Guaranty, I will reimburse Franchisor its reasonable attorneys’ fees and costs.
8. I hereby guarantee the prompt and full payment of all amounts owed by the Developer under the Development Agreement.

9. I will pay all amounts due under this Guaranty within 14 days after receiving notice from Franchisor that the Developer has failed to make the required payment. I understand and agree that Franchisor need not exhaust its remedies against the Developer before seeking recovery from me under this Guaranty.

10. No modification, change, impairment, or suspension of any of Franchisor's rights or remedies shall in any way affect any of my obligations under this Guaranty. If the Developer has pledged other security or if one or more other persons have personally guaranteed performance of the Developer's obligations, I agree that Franchisor's release of such security will not affect my liability under this Guaranty.

11. **I WAIVE MY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE DEVELOPMENT AGREEMENT AND/OR THE PERFORMANCE OF ANY PARTY UNDER THE DEVELOPMENT AGREEMENT.**

12. I understand that Franchisor's rights under this Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under applicable law.

13. I agree that any notices required to be delivered to me will be deemed delivered at the time delivered by hand; one Business Day after electronically confirmed transmission by facsimile or other electronic system; one Business Day after delivery by Express Mail or other recognized, reputable overnight courier; or three Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the address identified on the signature line below. I may change this address only by delivering to Franchisor written notice of the change.

Executed on the date set forth below:

GUARANTOR

Dated: _____

Name: _____

Address for notices: _____

EXHIBIT D
ICODE FRANCHISE, INC.
FRANCHISE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT



**ICODE FRANCHISE, INC.
FRANCHISE AGREEMENT**

**FRANCHISE AGREEMENT
SUMMARY PAGES**

EFFECTIVE DATE: _____, 20__

FRANCHISEE: _____

ADDRESS FOR NOTICES: _____

TELEPHONE NUMBER: _____

E-MAIL ADDRESS: _____

FRANCHISOR: iCode Franchise, Inc.
Attn: Abid Abedi
4577 Ohio Drive
Frisco, Texas 75035

BRAND DEVELOPMENT FEE: 2% of Gross Sales

LOCAL ADVERTISING: 3% of Gross Sales

RENEWAL FEE 50% of the then-current franchise fee

TRANSFER FEE \$20,000 plus related expenses

Type of Franchise Program:	<input type="checkbox"/> iCode School Program
Site Selection Area	<u>See Attachment B of this Agreement</u>
Initial Franchise Fee	<input type="checkbox"/> \$35,000 <input type="checkbox"/> \$31,500 (includes 10% Veteran discount)
Royalty Fee	Greater of Minimum Royalty or 8% of Gross Sales
Minimum Royalty	\$800 per month, beginning the ninth full calendar month after the Effective Date or the second full calendar month after the iCode School opens for business, whichever occurs first
Grand Opening	\$5,000
Technology Fee	Currently \$475 (subject to increase see Section 3.3)

Type of Franchise Program:	<input type="checkbox"/> iCode Reach Program
Initial Franchise Fee	<input type="checkbox"/> \$15,000 <input type="checkbox"/> \$13,500 (includes 10% Veteran discount)
Royalty Fee	Greater of Minimum Royalty or 12% of Gross Sales
Minimum Royalty	\$250 per month, beginning the second full calendar month after the Effective Date
Grand Opening	\$5,000
Technology Fee	Currently \$475 (subject to increase see Section 3.3)

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Attachment F Entity Information
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FRANCHISE AGREEMENT

This FRANCHISE AGREEMENT (“**Agreement**”) is made and entered into as of the Effective Date reflected in the Summary Pages (“**Effective Date**”) by and between iCode Franchise, Inc., (“**Franchisor**”) and the Franchisee identified in the Summary Pages (“**you**”).

A. Franchisor has acquired the license to use and sublicense the use of a distinctive business format and operating system relating to a business that offers proprietary STEAM-based educational courses and other programs that may be developed periodically, to children and adults (“**System**”);

B. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin including, but not limited to, the mark “**ICODE**” and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (“**Marks**”).

C. You desire a license to offer iCode programs using the System and Marks (the “**Franchised Business**”) and Franchisor desires to grant you the right to operate a Franchised Business, all pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. GRANT OF LICENSE

1.1. **Grant of License.** This Agreement grants you a non-exclusive license to develop and operate the Franchised Business using the System and Marks at the franchised location identified (or to be identified) in **Attachment B** attached hereto in the Protected Area as further defined in **Attachment B** of this Agreement. This Agreement also grants you a limited license to use the Marks and other intellectual property, solely in connection with the marketing and sale of courses, labs, events, promotions, and other approved services and products offered by the Franchised Business. You hereby undertakes the obligation and agrees to continually operate the Franchised Business during the Term hereof and strictly according to the terms and conditions of this Agreement.

1.2. **Territorial Protection.** During the term of this Agreement, neither Franchisor nor its Affiliate will operate or grant anyone but you the right to operate another iCode School in the Protected Area, and neither Franchisor nor its Affiliate will provide or grant anyone but you the right to provide in-person STEAM-based classes in the Protected Area, except as described in **Section 1.3.**, below.

1.3. **Franchisor’s Reservation of Rights.** Franchisor reserves to itself all other rights in and to use the Marks. These include, without limitation:

1.3.1. the right to operate and grant others the right to operate iCode Schools and businesses outside the Protected Area, regardless of proximity to the Protected Area;

1.3.2. the right to advertise and market the services of other iCode Schools and businesses in the Protected Area, which may result in another iCode School or business enrolling students who live the Protected Area;

1.3.3. the right to offer online STEAM-based classes and to solicit enrollment for these classes either online or through partnerships with schools, STEM/STEAM centers, corporations, and other organizations. Some of these locations may be in the Protected Area, and some students may live or go to school in the Protected Area; and

1.3.4. the right to distribute products, such as books, robotics, course materials, and games, through alternate channels of distribution, such as online and retail sales.

1.3.5. Because complete and detailed uniformity under many varying conditions might not be possible or practical, you acknowledge that we specifically reserve the full right and privilege, as we deem

best according to our business judgment, to vary Brand Standards or other aspects of the Franchise System for any franchisee. Franchisee has no right to require us to grant you a similar variation or accommodation. Franchisor has the right to develop, operate, and change the Franchise System in any manner this Agreement does not specifically prohibit. Whenever this Agreement reserves our right to take or withhold an action, or to grant or decline to grant you the right to take or omit an action, we may, except as this Agreement specifically provides, make our decision or exercise our rights based on information then available to us and our judgment of what is best for us, iCODE franchisees generally, or the Franchise System when we make our decision, whether or not we could have made other reasonable or even arguably preferable alternative decisions and whether or not our decision promotes our financial or other individual interest. Franchisee acknowledges and agrees that this exercise of our business judgement is not reviewable by a judge or arbitrator.

1.3.6. We may at any time, in our sole discretion, require you to modify or discontinue using any Mark and/or use one or more additional or substitute trade or service marks. You agree to comply with our directions within a reasonable time after receiving notice of such changes. We are not required to reimburse you for any costs or expenses associated with making such changes, for any loss of revenue due to any modified or discontinued Mark, or for your expenses in promoting a modified or substitute trademark or service mark.

Nothing in this Agreement prohibits or restricts Franchisor or its Affiliate from owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses in the Protected Area under a different trademark or service mark (*i.e.*, a mark other than iCODE), whether or not the business is the same as or competitive with iCode Schools.

1.4. Geographic Scope of Right to Provide Services. During the term of this Agreement, you may provide authorized services at the iCode School premises (if you operate an iCode School) and at public, private, and charter schools, STEM/STEAM centers, churches, libraries, and similar venues within your Protected Area. You may provide services at other types of venues only with Franchisor’s prior written consent. You may not distribute products and services through alternate channels of distribution. This means that you may not, among other things, sell products or services through retail channels or via the Internet, or post or stream educational live videos on video hosting sites such as YouTube, or on a private website.

1.4.1. You do not have the right, among other things, to: (a) sublicense the use of the System or Marks, (b) to cobrand with another concept, (c) other than as specifically approved to provide on-site services without Franchisor’s prior written consent, or (d) to distribute iCODE products through wholesale channels. A “wholesale” transaction means any sale of five or more products or services (regardless of stage of completion) to a customer whose purpose is to, in turn, offer such products or services for resale to a third-party. Conducting wholesale transactions without our prior written approval is a material breach of this Agreement, for which we may terminate the franchise agreement without an opportunity to cure.

1.4.2. You are not entitled to any compensation for sales made to customers in your Protected Area, or if customers who reside in your Protected Area enroll in a different iCode School or business.

1.5. Geographic Scope on Right to Market and Advertise. You may market and advertise the Franchised Business in the Protected Area, and outside the Protected Area in accordance with Franchisor’s guidelines, as published from time to time, which may require you to offer neighboring franchisees the opportunity to participate in the advertising.

2. BASIC TERMS OF AGREEMENT

2.1 Initial Term. This Agreement shall be for a period of 10 years from the Effective Date (“**Initial Term**”).

2.2 **Option to Renew.** Upon expiration of the Initial Term of this Agreement, you shall have the option to renew for one additional 10-year term, provided the following conditions are met:

2.2.1 You must provide to Franchisor advance written notice of renewal not less than six months nor more than 12 months from the expiration date of this Agreement. Failure to give advance written notice will result in an automatic expiration of this Agreement upon the tenth anniversary of the Effective Date of this Agreement;

2.2.2 At the time written notice of renewal is received by Franchisor, you must not be in default of this Agreement and must be in compliance with all standards and procedures outlined in the then most current version of the Manual and other forms of communication; and you must not have received more than three written notices of default from Franchisor during the entire Initial Term of this Agreement.

2.2.3 If you operate an iCode School, you must show that you have the right to remain in possession of the premises upon which your iCode School is located for the duration of the franchise renewal term, or that you have secured an alternate site which has been approved by the Franchisor, before the Franchise Agreement is renewed. You also must renovate the iCode School premises so that it reflects the then-current image intended for new iCode Schools. Renovation requirements may include, without limitation, the purchase and installation of new fixtures, décor items, and security systems. Additional requirements may include, without limitation, purchasing new office equipment, computers, furniture, and equipment that Franchisor deems reasonably necessary.

2.2.4 You must sign a general and full release in favor of Franchisor and its Affiliates, and their respective agents and employees.

2.2.5 You must sign the form of Franchise Agreement being offered to new franchisees at the time of renewal; provided that you will not be required to pay an initial franchise fee. The terms of the Franchise Agreement, which will govern the renewal term, may be materially different than the terms of this Agreement and may include, without limitation, different or higher fees and changes in territorial protection. Your Owners will be required to execute and deliver a personal guaranty in the form prescribed by Franchisor.

2.2.6 You must pay a Renewal Fee in the amount stated in the Summary Pages.

2.2.7 You have the right to remain in possession of the Franchised Location for the full successor term at the time you sign the renewal franchise agreement.

2.2.8 If Franchisor determines that any or all of these conditions have not been met, Franchisor will provide notification in writing prior to the expiration of the Initial Term.

2.3 **Operation after Expiration of Term.** If this Agreement expires and Franchisee continues to operate the iCode Franchised Business after expiration, Franchisor may, at its option declare Franchisee to be holding over. In such event, the terms of this Agreement will govern the parties' relationship, provided that: (a) either party may terminate the relationship at any time during the holdover period, for any reason or for no reason, by delivering to the other party written notice of termination; and (b) the Royalty Fees due and payable during such holdover period shall be 200% of the Royalty Fees due and payable under this Agreement.

3. FEES

3.1 **Franchise Fee.** When you sign this Agreement, you will pay Franchisor an Initial Franchise Fee in the amount reflected on the Summary Page. The Initial Franchise Fee is fully earned upon payment not refundable under any circumstances. Veterans of the U.S. Armed Forces are eligible to receive a 10% discount on their Initial Franchise Fee for the first iCode School Program or iCode Reach Program franchise awarded. To qualify for the discount, the veteran must own at least a 50% interest in the franchise. "Veteran" means a recipient of an honorable discharge as evidenced by the U.S. Department of Defense and provide documentation (DD-214). It is the veteran's responsibility to send us the required documents

in order to obtain the discount. The Initial Franchise Fee regardless of Veteran's Discount is payable in lump sum and are non-refundable.

3.2 Royalty Fee. During the franchise term, you will pay Franchisor the greater of an ongoing royalty fee (the "Royalty Fee") in the amount reflected on the Summary Page or Minimum Royalty in the amount reflected on the Summary Page. Royalty Fees are payable monthly and are due on or before the fifth day following the last day of month for which the fee was calculated. In the event Franchisee fails to meet the Minimum Royalty requirements therein, Franchisee shall pay the balance due to Franchisor within 30 days of receipt of notice of such shortfall ("Royalty Shortfall Amount"). The Royalty Shortfall Amount due, if any, is payable in one (1) installment upon receipt of Franchisor's written notice.

3.3 Technology Fee. The parties acknowledge and agree that the technological environment is rapidly changing and that it is difficult to anticipate the cost of developing, acquiring, implementing, and licensing Internet and communications technologies that may benefit franchisees of the System. Accordingly, in addition to the Royalty Fee, Franchisor reserves the right to impose a Technology Fee in an amount determined by Franchisor but which shall not exceed a defined amount in any calendar year ("Technology Fee Cap"). For calendar year in which this Agreement became effective, the Technology Fee Cap is the amount specified on the Summary Page of this Agreement. We retain the right to increase the Technology Fee Cap each calendar year by an amount not to exceed 10% of the prior year's Technology Fee Cap upon 30 days written notice to you or by updating our operations manual and notifying you of the same. Franchisee agrees to pay the Technology Fee according to the terms prescribed by Franchisor. Technology Fee currently includes 10 email addresses for your Franchised Business. Additional email addresses will be provided for an additional fee, per e-mail address requested.

3.4 Brand Development Fee. You will pay an ongoing brand marketing fee ("Brand Development Fee") in the amount reflected on the Summary Page. Brand Development Fees are payable monthly and are due on or before the fifth day following the last day of the month for which the fee was calculated.

3.4.1 We may elect to utilize various local, regional and/or national media campaigns in the future which may include television, magazine, newspaper and Internet advertising campaigns.

3.4.2 We have the right to use Brand Development Fee monies, in its sole discretion, to pay for creative development services (including creation and modification of iCode school design and trade dress, logos, graphics and vehicle wraps, and advertising and promotional items, including the cost of photography services and design software), preparing and procuring market studies, providing or obtaining marketing services (including, without limitation, conducting customer surveys, focus groups, and marketing-related mystery shops and customer interviews); our marketing playbook, creating and hosting the website, creating and launching social media channels, and providing a portal with a repository of digital marketing assets to assist you with local marketing; employing advertising and/or public relations agencies; developing, producing, distributing and placing advertising (including, without limitation, preparing and conducting media advertising campaigns in various media, local School advertising and promotion in a particular area or market, or for the benefit of a particular School or Schools in connection with School opening promotions or otherwise), conducting and administering in-School promotions; preparing and executing direct mail advertising, and developing, producing and purchasing point-of-sale advertising, boards, and other sales aids and promotional items and materials); new product development and development of product packaging; developing, updating and hosting Franchisor's website (including development of locator programs) and/or an intranet or extranet system; obtaining sponsorships and endorsements; preparing and conducting sweepstakes and other promotions; developing, administering, and distributing coupons, certificates and stored value card programs, and the cost of products associated with the redemption of free coupons, gift certificates and stored value cards; developing and administering other customer loyalty programs; developing and administering online ordering platforms; providing and procuring public relations services;

conducting public relations activities; charitable donations; and membership fees in international, national, regional, and/or local trade or other associations or organizations. Franchisor also may use Fee monies to reimburse itself for its costs of personnel and other administrative and overhead costs associated with providing the services described in this agreement.

3.5 Training Fees. If, after the initial training is complete, we deem it necessary to re-train you or your staff, you may be required to pay a reasonable fee for such additional training, as we deem appropriate. You acknowledge and agree that the training may be in any method we deem appropriate including a virtual training. You are solely responsible for all travel, lodging, food and related expenses for you and your staff including but not limited to, if applicable any salary or wages paid to your staff.

3.6 Additional Assistance Fees. You may be required to pay an Additional Assistance fee if you request additional assistance or we deem it necessary at our sole discretion. This fee would cover Franchisor's cost in providing a corporate representative to assist you with the assistance you require. These fees will be payable as billed and will be due 30 days from the date of the invoice.

3.7 Late Fees, Collections. If you are late in paying all or a portion of the fees or royalties owed for any given time period, then you must also pay Franchisor a reasonable late fee, as well as interest on the unpaid amount calculated from the date due until paid at the rate of 1.5% per month, or the highest rate allowed by law, whichever is less. You must also pay all collection charges, including reasonable attorney's fees, incurred by Franchisor to collect the amounts that are due.

3.8 Payment Processing Fee. This fee is for processing credit card and other forms of payments through the online enrollment system. We anticipate this shall be anywhere from 2% to 4% of Gross sales. The fee shall be paid directly to the party charging such payment processing.

3.9 Payment Procedures. You shall participate in Franchisor's Automated Clearing House ("ACH") electronic payment program authorizing Franchisor to use a pre-authorized bank draft system. To this end, you shall: **(a)** comply with Franchisor's procedures, as specified in the Manual, or otherwise in writing; **(b)** perform those acts and sign and deliver those documents as may be necessary to accomplish payment by electronic funds transfer as described in this Section 3.7.; **(c)** execute and deliver to Franchisor a form authorizing Franchisor and/or its Affiliate(s) to collect the Royalty Fee, and all other amounts due under this Agreement; and **(d)** make sufficient funds available in your bank account for withdrawal by electronic funds transfer no later than fifth day of each month for payment thereof. Notwithstanding the provisions of this Article 3, Franchisor reserves the right to modify, at its option, the method by which you pay the Royalty Fee, and other amounts owed under this Agreement upon receipt of written notice by Franchisor. Your failure to have sufficient funds available for draft or withdrawal is a material breach of this Agreement.

3.10 Credit Card Fees. You are solely responsible for any credit card fees charged by third parties for any products or materials purchased through us or our affiliates. This fee shall be in addition to the payment made to us or our affiliate for the products and materials purchased. You acknowledge and agree that you are not required to use the credit card; however, the option is for your benefit and thus you shall be solely liable for any obligations relating to use of your credit card. Failed transaction due to your credit card declining and payment not processed to us shall be subject to any late fees and interest as specified herein this Agreement. We estimate the credit card fees to range between 2% to 4% of your total amount.

4. TRAINING AND ASSISTANCE

4.1 Initial Training Program. Your designated Operating Principal and Director must complete Franchisor's mandatory initial training program prior to the opening of the iCode School. Training may begin as soon as a location lease agreement is signed. Training will cover sales, marketing, curriculum, hiring, learning management software ("LMS"), billing, facility management, partnerships, and operations. All of your employees will need to attend all or a designated portion of the training program prior to opening. You will be responsible for salaries of any employees and owners who are attending training. Training will be conducted in any form we deem appropriate at our sole discretion including virtually. Upon your request

and our approval, additional onsite training is available at your expense. If you already own an iCode franchise and are purchasing an additional location, you are not required to attend initial training again unless Franchisor determines additional training is necessary. However, if you or your Operating Principal will not act as Director, your Director will be required to complete initial training and you will still be responsible for fully training new personnel before you begin operating the Franchised Business.

4.2 Additional Training. From time to time, Franchisor will have additional training programs, presented as workshops, seminars or by other means or methods. You shall cause your instructors and other personnel Franchisor requires to attend all training Franchisor requires, which may include ongoing monthly training for instructors conducted virtually. Franchisor will give you reasonable notification of this additional training. Your Operating Principal, Director, and other of your employees may be required to attend and complete additional training programs at your expense as Franchisor deems necessary in its sole discretion. You will be responsible for salaries of any employees and owners who are attending training. If Franchisor requires any training programs to be conducted in-person, you will be responsible for all of your own transportation and living expenses while the training is conducted.

4.3 You shall be solely responsible for any Training Fee or Additional Assistance Fee as specified in Article 3 of this Agreement.

4.4 Delegation of Performance. You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we contract to perform these obligations.

5. SYSTEM AND MODIFICATIONS

5.1 Manuals. Franchisor will provide you with digital access to our Manual and marketing playbook, or in such other format as Franchisor determines in its sole discretion. You shall operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Manual. The Manuals shall at all times remain the sole property of Franchisor and shall be kept in a secure place at the Franchised Location and treated as confidential. You shall ensure that your copy of the Manual is kept current at all times, and in the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by Franchisor shall be controlling.

5.2 System Modification. You acknowledge that Franchisor, periodically, may modify elements of the System (including Franchisor's standards, specifications, policies, and procedures) through changes to the Manual. Franchisor shall notify you of any such System changes and you shall timely implement such changes. The system may be changed, expanded, modified or deleted as we deem necessary in our sole discretion. You are required to comply with any such changes at your sole cost and expense.

5.3 Improvements. Any improvements to the System developed by you or your Owners ("**Improvements**"), including all intellectual property rights, shall become Franchisor's sole property. To give effect to this provision, you and your Owners hereby assign to Franchisor any rights you or your Owners may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. You and your Owners agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agree to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. You and your Owners hereby irrevocably designate and appoint Franchisor as agent and attorney-in-fact for you and for them to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section 5.3. are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe on you or your Owners' rights therein.

6. REQUIREMENTS OF LEASE/SUBLEASE; OPENING

6.1 Site Selection.

6.1.1 You shall use our approved provider of real estate services. If you will operate an iCode School, you must identify and purchase or lease a site for the iCode School within 180 days after the Effective Date of this Agreement. The site must be located within the Site Selection Area identified in the Attachment B of this Agreement, must meet Franchisor's then-current site selection criteria, and must otherwise be mutually acceptable to you and to Franchisor. You will operate the iCode School at a location that you have selected and that we have accepted as meeting our minimum site selection criteria. Franchisor will permit or refuse to permit development of the iCode School at the proposed site within 15 days after the receipt of all information Franchisor requires. Franchisor's failure to provide notification within this time period shall not be considered permission. **Although Franchisor or its representatives or approved service providers may propose sites for your consideration, you understand that ultimate site selection is solely your choice and your responsibility.**

6.1.2 For each site of interest Franchisor will review, as it deems appropriate, certain information relating to the site of interest including, among other things, a description of the proposed site, square footage, demographic characteristics, traffic patterns, tenant mix and turnover history, parking availability, economics, and location of local schools. Our real estate service will provide market data on demographics, mapping, site selection recommendations, and assist with lease negotiations. You will provide on-site visits and basic evaluation to help us evaluate and validate each potential location.

6.1.3 **The parties acknowledge and agree that Franchisor's permission to develop the iCode School at a particular site is not an assurance that the iCode School will achieve a certain enrollment or level of revenue or profitability; it means only that the proposed site meets Franchisor's minimum criteria for an iCode School.**

6.1.4 The iCode School may not be relocated without Franchisor's prior written consent. If applicable and we consent to re-location of your School, you must reimburse us of our costs associated with review and approval of your new location of you iCode school and any other actual costs associated with your relocation.

6.2 Lease or Shared Real Estate Agreement.

6.2.1 If you will operate an iCode School and you will occupy the premises under a lease with a third-party landlord, Franchisor has the right to approve the lease terms, and the lease shall not be signed until it has been reviewed and approved by Franchisor. Franchisor may approve or deny lease terms of the proposed site within thirty-days of written request by the Franchisee and upon Franchisee providing all requested information as it relates to the proposed site. If you do not receive an approval the request is deemed denied. The lease also must contain the terms reflected in the sample Lease Rider attached to this Agreement as Attachment D, including Franchisor's option to assume the lease in the event of expiration or termination of this Agreement. You shall provide to Franchisor a fully executed copy of the lease within 10 days after its execution.

6.2.2 If you will operate an iCode Reach business, your sublease or shared real estate agreement must give Franchisor an option to assume your rights under the agreement upon termination or expiration of this Agreement. Franchisor has the right to approve the terms of any sublease or shared real estate agreement, and an agreement may not be signed until it has been reviewed and approved by Franchisor. You shall provide to Franchisor a fully executed copy of the agreement within 10 days after its execution.

6.2.3 **The parties acknowledge and agree that Franchisor's approval of a lease or shared real estate or similar arrangement does not mean that the economic terms of the agreement are favorable; it means only that the agreement contains the lease terms that Franchisor requires.**

6.2.4 Franchisee hereby expressly acknowledges and agrees that they will not operate any other business or sell any unauthorized products or provide services from the leased premises in which you will operate your Franchised Business.

6.3 Opening. You must open the iCode School for business by the date identified, or to be identified, on Attachment B of this Agreement.

6.4 Company Vehicle. If you will operate an iCode Reach, you must lease or purchase a company vehicle that meets Franchisor's standards and specifications ("**Company Vehicle**"), which may include without limitation, brand and model year requirements. You must lease or purchase the Company Vehicle and purchase all window tinting, vehicle wraps, and decals from Franchisor's approved or designator suppliers. You must lease or purchase the Company Vehicle and complete all Company Vehicle branding requirements in accordance with the Manual, standards, and specifications, within 90 days of the Effective Date. You may only use the Company Vehicle for the operation of the Franchised Business and in accordance with the Manual, standards, and specifications. You shall routinely complete all vehicle maintenance and shall promptly perform all necessary repairs to keep the Company Vehicle operational at all times, at your sole cost and expense. You shall not make any modifications to the Company Vehicle without the Franchisor's prior written approval. You shall ensure that any person who drives the Company Vehicle has a valid driver's license and that the Company Vehicle is at all times properly license, registered, and insured. You may not sell, transfer ownership, or otherwise dispose of the Company Vehicle without Franchisor prior written consent. In such event, you shall cause the Company Vehicle to be de-identified to the Franchisor's satisfaction.

6.5 Franchisor retains the right to any pre-opening consultation and advice as the Franchisor deem appropriate, which may include advice with regards to the development and operation of the Franchised Business, building layout, furnishing, fixtures and equipment plan and specifications, purchasing and inventory control, and such other matters as we deem appropriate.

6.6 BY VIRTUE OF COMMENCING OPERATIONS OF YOUR FRANCHISED BUSINESS, YOU ACKNOWLEDGE THAT WE HAVE FULFILLED ALL OF OUR OBLIGATIONS TO YOU THAT WE ARE REQUIRED TO FULFILL PRIOR TO THE OPENING OF YOUR ICODE SCHOOL.

7. OPERATIONS

7.1 Operating Principal. At all times, the Franchised Business must be under the general supervision of your Operating Principal. If the Operating Principal ceases to serve in, or no longer qualifies for, such position, you shall designate another qualified person to serve as your Operating Principal within 30 days after the date the prior Operating Principal ceases to serve or no longer qualifies to serve. Any proposed replacement Operating Principal must successfully complete the initial training program and such other training required by Franchisor, and be approved by Franchisor, before assuming his or her position as Operating Principal and, in no event, later than 90 days after the previous Operating Principal ceased to serve in such position.

7.2 Director. The Franchised Business must at all times be under the on-premises supervision of your Director, who shall have full control over day-to-day management and operations. The Director must attend and successfully complete Franchisor's initial training program and all additional training that Franchisor requires, to Franchisor's satisfaction. The Director shall devote his or her full-time efforts to Franchised Business operations and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitment. Franchisor shall have approved the Director as meeting its then-current qualifications for such position. If the Director ceases to serve in, or no longer qualifies for, such position, you shall designate another qualified person to serve as your Director within 30 days after the date the prior Director ceases to serve or no longer qualifies to serve. Any proposed replacement Director must successfully complete the initial training program and such other training required by Franchisor, and be approved by Franchisor, before assuming his or her position as Director and, in no event, later than 90 days after the previous Director ceased to serve in such position.

7.3 Employees. You shall maintain a competent, conscientious, and trained staff, each of whom shall be fluent in the English language and shall take such steps as are necessary to ensure that your employees render competent, prompt, courteous, and knowledgeable service in accordance with the Standards. You shall cause all employees, while working for the Franchised Business, to present a neat and clean appearance and to wear clothing of such color, design, and other specifications as Franchisor may designate from time to time; and shall prohibit the wearing of such uniforms except during and within the scope of an employee's employment. The parties acknowledge and agree that these requirements are necessary to preserve the goodwill identified by the Marks. The parties further acknowledge and agree that Franchisor neither dictates nor controls labor or employment matters for you or your employees. You are exclusively responsible for hiring personnel, for determining the number of jobs offered or job vacancies to be filled, for determining and changing employee wages and benefits and work hours, and for disciplining and discharging your employees. You are exclusively responsible for labor relations with your employees.

7.4 Compliance with Law. You shall ensure that the Franchised Business operates strictly in accordance with all applicable laws, regulations, and orders including, if you operate an iCode School, all laws pertaining to the occupancy, operation and maintenance of the iCode School building and premises.

7.5 Compliance with System Standards. You understand and acknowledge that every detail of the System is essential to maintain and enhance the goodwill associated with the Marks and the integrity of the brand. You shall operate the Franchised Business according to the highest applicable health and safety standards, and in strict accordance with this Agreement, Franchisor's operating standards, policies, and procedures, and applicable laws and regulations. You shall notify Franchisor by telephone and confirm in writing within 72 hours of any investigation or violation, actual or alleged, concerning any violation of law or within five days of the commencement of any investigation, action, suit or proceeding, and the issuance of any order, writ, injunction, award, or decree of any court, agency or other government instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

7.6 iCode School Premises. If you operate an iCode School, you shall use the iCode School premises solely for the operation an iCode School and for providing the services authorized under this Agreement. You shall maintain the premises and all fixtures and furniture in excellent and clean condition and in accordance with applicable law. From time to time, Franchisor may require periodic painting and/or the replacement of obsolete fixtures and furniture, and you shall promptly satisfy the requirements. At Franchisor's request, but not more often than once every 60 months, you shall renovate the iCode School premises so that it reflects the then-current public image for new iCode Schools. This may include repainting interior walls, replacing signage, furnishings, finishes, and equipment.

7.7 Brand Technology. You shall acquire and use in the operation of the Franchised Business all Brand Technology as Franchisor periodically requires. Requirements may include, among other things, connection to remote servers, off-site electronic repositories, high speed internet connections, and maintaining the systems software necessary for the efficient operation of the Application Software. Requirements also may include procuring and maintaining appropriate licenses and maintenance agreements and paying associated license, maintenance, and payment processing fees to Franchisor, a Franchisor Affiliate, or a third-party provider. Franchisor may independently access from a remote location all information input to, and compiled by, your Application Software. You shall provide Franchisor unrestricted access to your Application Software (which may include providing Franchisor all of your user IDs and passwords).

7.8 Hours of Operation. You shall operate the Franchised Business on the days and during the hours that are required in your lease, during the periods you have student enrollments, and as the Franchisor prescribes. You shall cause your lease to allow you to operate the Franchised Business during hours prescribed by the Franchisor at the same time you enter into the lease.

7.9 Quality Assurance Inspections; Testing. Franchisor shall have the right to enter upon the iCode School premises (if you operate an iCode School) and/or any venue at which you provide services during regular business hours to inspect for quality assurance purposes. You shall cooperate with Franchisor's

efforts and permit Franchisor to audit your classes, sample your products (without charge) and speak with your students and parents of students for quality assurance purposes. If Franchisor engages a third party to provide quality assurance audits or mystery shops, you may be required to reimburse Franchisor the associated costs or, at Franchisor's option, you may be required to contract with the third-party provider and pay for the service directly.

7.10 Service Offerings. You shall cause the Franchised Business to offer and provide all services that Franchisor requires periodically. You shall refrain from offering and providing any services that Franchisor has not approved. Franchisor may add, eliminate and change authorized services, in its sole discretion, and you must comply with all directives. You shall participate in all programs, which may include membership-based programs, and cooperate with Franchisor in its efforts to test market new services. In providing instruction, you shall comply with all of Franchisor's requirements relating to course instruction, labs, and workshops or events.

7.11 Product Offerings. You shall cause the Franchised Business to use and offer for sale all goods and services that Franchisor requires, and to refrain from using or selling any goods and services that Franchisor has not approved. Unless otherwise authorized in writing, products may be sold at retail only, and only from the iCode School premises (if you operate an iCode School) or in-person sales. Franchisor may add, eliminate and change authorized products, in its sole discretion, and you must comply with all directives. You shall maintain a sufficient inventory of products to meet customer demand, and shall participate in all programs and cooperate with Franchisor in its efforts to test market new products.

7.12 Loyalty Programs, Prize Promotions, and Promotional Literature.

7.12.1 You shall participate in and offer to your customers: (a) all customer loyalty and reward programs; (b) all contests, sweepstakes, and other prize promotions; and (c) all price promotions and all deals, which Franchisor may develop or further amend from time to time. Franchisor will communicate to you in writing the details of each such program, promotion, and reward deals, and Franchisee shall promptly display all point-of-sale advertising and promotion-related information at such places within the School as Franchisor may designate. Franchisee shall purchase and distribute all coupons, clothing, toys, and other collateral merchandise or allow for the customer to reimburse the loyalty reward or points for tuition reimbursement at the School (and only the coupons, clothing, toys, and collateral merchandise) designated by Franchisor for use in connection with each such program, promotion, or deal including .

7.12.2 If Franchisor develops or authorizes the sale of gift certificates and/or stored value cards, loyalty cards, and/or customized promotional receipts, you shall acquire and use all computer software and hardware necessary to process their sale and to process purchases made using them and be solely responsible for the service charges related to such processing. All proceeds from the sale of all gift certificates and stored value cards belong exclusively to Franchisor, and Franchisee shall remit the proceeds of such sales to Franchisor according to the procedures that Franchisor prescribes periodically. Franchisor shall reimburse or credit to you (at Franchisor's option) the redeemed value of gift cards and stored value cards accepted as payment for products and services sold by the School.

7.12.3 You shall display at the Franchised Business all promotional literature and information as Franchisor may reasonably require from time to time. This may include, among other things, displaying signage or other literature containing information about the iCode franchise offering.

7.12.4 Franchisee shall be solely liable to obtain any and all parental consents and liability waivers if required to kids participation in the Loyalty Programs, Prize Promotions, and Promotional Literatures.

7.13 Purchases from Designated Sources.

7.13.1 You shall acquire from Franchisor's affiliates, designated or approved vendors and suppliers all Brand Technology (including all computer and IT equipment, software, furnishings, signage,

and services), all classroom supplies (such as robotics), all branded merchandise, and insurance. Franchisor or its Affiliate(s) may be designated or approved suppliers for any products or services.

7.13.2 If you operate under the iCode School program, you shall engage Franchisor's approved architectural and project management services to prepare a space plan and work with a general contractor that Franchisor has approved to build out the site. You also must purchase from Franchisor's designated or approved suppliers such signage, fixtures, furniture and décor items that Franchisor requires from an approved or designated supplier which may be us or our affiliate.

7.13.3 Franchisor will provide you information about Approved Suppliers via the Manual or otherwise in writing. Franchisor may receive money or other benefits from Approved Suppliers based on your purchases; you agree that Franchisor has the right to retain and use all such benefits as it deems appropriate, in its sole discretion. If written approval is not granted by us, the request is deemed denied. We retain the right to revoke any previously approved vendor or supplier by providing written notice of the same or by updating our Manual.

7.13.4 You may purchase items and services for which Franchisor has not identified Approved Suppliers from any source, so long as the items and services meet Franchisor's specifications. These specifications may include brand requirements ("**Approved Brands**"), and to the extent that Approved Brands have been identified, you may purchase and use only the Approved Brands.

7.13.5 Franchisor may from time to time modify the list of Approved Suppliers and/or Approved Brands, including modifying the designation of Affiliates as Approved Supplies and/or Approved Brands. You shall promptly comply with all such modifications.

7.13.6 If you propose to purchase from a previously unapproved source, you shall submit to Franchisor a written request for such approval or shall request the supplier to submit a written request on its own behalf. Franchisor has no obligation to consider your request, but if it does, may condition its consideration on your providing requested information, on being granted access to inspect the supplier's facilities, and/or delivery of samples to Franchisor and/or to an independent, certified laboratory Franchisor designates. Franchisor also shall have the right to impose a reasonable testing fee. Franchisor will notify you within 30 days of your request as to whether you are authorized to purchase such products from that supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier and to revoke its approval of any supplier upon the suppliers' failure to meet Franchisor's criteria for quality and reliability.

7.14 Corporate Accounts. Franchisor may enter into agreements, periodically, with clients that Franchisor considers "**Corporate Account Clients**" (that is, clients that contract with Franchisor or with its affiliate for services at more than one location), that may require services in the Protected Area. If Franchisor offers you the right to provide services in the Protected Area, you must provide the services under the terms and conditions Franchisor has negotiated with the Corporate Account Client. If Franchisor receives payment directly from the Corporate Account Client for Services that you have performed, Franchisor will deduct from the payment the amount of all fees and other payments that you owe to Franchisor, and remit to you the balance within a reasonable period of time following the payment. If you fail to provide satisfactory services to a Corporate Account Client, Franchisor has the right to provide such services in your Protected Area or delegate that right to another Franchisee. Once a Corporate Account Client is serviced by Franchisor or another franchisee, you will have no further right to service such Corporate Account Client. .

7.15 Pricing. To the fullest extent permitted by applicable law, Franchisor reserves the right to establish maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services, which may include promotional pricing.

7.16 Client Complaints. You shall provide Franchisor with copies of any and all client complaints relating to the Franchised Business or the Franchised Business premises, as well as any communications

from public authorities about actual or potential violations of laws or regulations relating to the operation or occupancy of the premises within three days of receipt.

7.16.1 You agree to promptly address all complaints in accordance with the procedures contained in the Manual or as otherwise provided by the Franchisor. If you are unable or unwilling to resolve a customer complaint within forty-eight (48) hours, and it becomes necessary for us to reimburse a customer in settlement of his or her complaint about services provided by your School, you agree to promptly reimburse us for amounts expended on account of any such complaint. Your obligations and liabilities under this Section shall survive any termination or expiration of this Agreement.

7.17 iCode-In-A-Box. Prior to your School opening you will pay us iCode-In-A-Box Fee for your “iCode-In-A-Box Package”. Currently we estimate the fee to range between \$142,000 to \$182,000; however, actual cost may vary based on the size of your School premises. The iCode-In-A-Box Package includes your architectural services (but not the general contractor build-out; this will be a separate cost incurred), glass, furniture and chairs, network and computer equipment, a graphics package, signage, new starter kit and supplies, flooring material and course inventory. Upon receipt of this payment, we will then order and ship your iCode-In-A-Box items to you. The pricing provided does not include any applicable state sales tax but does include shipping charges. If you utilize a third-party credit card, your use may be subject to 2% to 4% payment processing fee. See Article 3 for more information on Credit Card Fees. The iCode-In-A-Box Package amount is nonrefundable upon payment.

8. INSURANCE

8.1 You shall maintain in full force and effect at all times during the term of this Agreement, at your expense, an insurance policy or policies meeting Franchisor’s minimum insurance requirements. Failure to obtain and maintain insurance required hereunder shall be a material default of this Agreement, and Franchisor shall have the right in their sole discretion terminate this Agreement upon such default. Each such policy shall be written by an insurance company with an A.M. Best rating of not less than A- VII (“excellent” and \$100,000,000 to \$250,000,000 in policy holder surplus) and licensed to sell insurance in the state in which your School is located, shall be primary and non-contributory to any insurance carried by Franchisor or its Affiliates., and shall contain a waiver of subrogation in favor of Franchisor and its Affiliates. You are required to use Franchisor’s approved insurance provider and such policies shall include:

8.1.1 Property Insurance including business income and extra expense for actual loss sustained for 12 months or 30% of Gross Sales, as well as full coverage for replacement of leasehold improvements and business personal property. Flood and earthquake may be required in geographically prone areas.

8.1.2 Crime policy for employee dishonesty for \$25,000.

8.1.3 General Liability coverage for \$1,000,000 per occurrence and \$2,000,000 aggregate. This policy must include Leased Premises for \$1,000,000 (if applicable per your lease), Personal Injury and Advertising Liability of \$1,000,000, and Medical Payments of \$10,000.

8.1.4 Employment Practices Liability including third party claims for \$1,000,000 and naming iCode Franchise, Inc., as Co-defendant.

8.1.5 Auto Liability for all owned (if applicable), non-owned and hired vehicles used in the Franchised Business for \$1,000,000 combined single limit liability.

8.1.6 Umbrella Liability for \$1,000,000 in excess over all policies.

8.1.7 Workers’ Compensation for statutory limits including Employer’s Liability of \$1,000,000/\$1,000,000/\$1,000,000 and the Alternate Employer’s endorsement in Franchisor’s favor. Must be bound at the time you hire staff, whether as employees or independent contractors.

8.1.8 Builder’s Risk insurance is required while in the construction phase. You are required to name iCode Franchise, Inc.. as additional insured on all liability policies from contractors and sub-

contractors and General Liability policy during the construction phase. You must provide us with all appropriate certificates before beginning leasehold improvements.

8.1.9 Abuse & Molestation Liability for \$1,000,000.

8.2 Each policy must provide for 30 days written notice of cancellation, directed to both you and to Franchisor or the person Franchisor designates. Each liability policy must include a waiver of subrogation in favor of Franchisor and its affiliates, and each company's owners, governing persons, agents, representatives, employees, servants, and independent contractors. Please note that your lease agreement may require more or different coverage than is included here.

8.3 You must provide us with a certificate of insurance complying with these requirements no less than 10 days before you enter a lease or begin operations, and at least 30 days before any renewal.

8.4 These are minimum requirements only, and Franchisor has the right to modify them at any time. Your landlord may require more coverage or additional types of coverage. You should consult with your insurance advisor to determine whether they are appropriate and sufficient for your business and to protect your assets.

8.5 If you fail to obtain the required insurance coverage, we may at our sole option obtain such coverage on your behalf. If we do so, you must reimburse us the cost of the premium and pay our administrative fee, currently \$500.

9. ADVERTISING

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

9.1.1 Franchisor may, from time to time, develop and administer advertising and sales promotion programs designed to promote and enhance all businesses operating under the Marks. You shall participate actively in all advertising and sales promotion programs, but only in complete accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor shall be final and binding upon you.

9.1.2 You shall only use the Marks in marketing and promoting your Franchised Business, unless otherwise designated by us in writing. You will use the trademark "iCODE" and the other Marks which now or hereafter may form a part of the System, on all signs, suppliers, business cards, uniforms, advertising materials, Technology platforms, signs and other articles in the identical combination and manner as the Franchisor may prescribe in writing and the Franchisee shall supply to the Franchisor samples and photographs of the same up on the Franchisor's request. You shall comply with all trademark, trade name, service mark and copyright notice marking requirements and shall supply to the Franchisor samples or photographs upon Franchisor's request.

9.1.3 Internet, Website and Intranet.

9.1.3.1 Franchisor has established and intends to maintain an Internet website that provides information about iCode products and services. Franchisor will have sole discretion and control over the website's design and contents. Franchisor will have no obligation to maintain the website indefinitely and may dismantle it at any time without liability to you.

9.1.3.2 The iCode website will include a series of interior pages that identify participating schools by name, address, telephone number, and e-mail address. You will not have the capability to modify its page(s).

9.1.3.3 If you fail to pay when due any fees or other amounts payable to the Franchisor under this Agreement or any other agreement between you and Franchisor, Franchisor may temporarily remove your information from the website until such time as you pay your outstanding obligation in full.

9.1.3.4 You will have no right, license or authority to use any of the Marks on or in connection with the Internet, except as stated in and permitted by this Section 9.1.2.

9.1.3.5 Franchisor may, at its option, establish and maintain an Intranet through which franchisees of the franchise network may communicate with each other and through which Franchisor may disseminate updates to the Manual and other Confidential Information. Franchisor will have no obligation to maintain the Intranet indefinitely and may dismantle it at any time without liability to you.

9.1.3.6 Franchisor will establish policies and procedures for the usage of Internet and Intranet by you. These policies, procedures and other terms of use will address issues such as (i) restrictions on the use of abusive, slanderous or otherwise offensive language in electronic communications, (ii) restrictions on communications between or among franchisees that endorse or encourage breach of any franchisee's Franchise Agreement, (iii) confidential treatment of materials that Franchisor transmits via the Internet and Intranet, (iv) password protocols and other security precautions, (v) grounds and procedures for Franchisor suspending or revoking a franchisee's access to the Internet and/or Intranet, and (vi) a privacy policy governing Franchisor's access to and use of electronic communications that you post on the Internet and Intranet. Franchisor expects you adopt and adhere to a reasonable privacy policy. However, you acknowledge that, as administrator of your access to either the Internet or Intranet, Franchisor can technically access and view any communication that any person posts on either the Internet or Intranet. You further acknowledge that the Internet or Intranet facility and all communications that are posted to them will become Franchisor's property, free of any claims of privacy or privilege that you or any other person may assert.

9.1.3.7 You agree to purchase and install all necessary additions to the Franchised Business's information system and to establish and continually maintain electronic connection with the Internet and Intranet that allows Franchisor to send messages to and receive messages from you. Your obligation to maintain connection with the Internet and Intranet will continue until this Agreement's expiration or termination (or, if earlier, until Franchisor dismantles either the Internet, website, or the Intranet).

9.1.3.8 If you fail to pay when due any amount payable to Franchisor under this Agreement or any other agreement between you and Franchisor, or if you fail to comply with any policy or procedure governing the Internet, website or Intranet usage, Franchisor may temporarily suspend your access to any website, social media platform, chat room, bulletin board, list-serve or similar feature the Internet or Intranet includes until such time as you fully cure the breach and paid any outstanding fees due to Franchisor.

9.1.4 Grand Opening Advertising. You are required to spend amount required on the Summary Page of this Agreement towards a grand opening advertising campaign which you must conduct as we instruct using the vendors we approve. A portion of this grand opening advertising may be conducted before you open, after you open, or a combination of both strategies. Regardless you must spend the required amount over the initial \$180 days of your Franchised Business. The campaign and all materials must be approved by Franchisor before implementation. The Grand Opening Advertising obligation is in addition to other advertising obligations, and does not count towards the Brand Development Fee or the Local Advertising Fee obligations

9.1.5 Local Advertising. During the Term, you shall spend at least the Local Advertising Requirement as specified on the Summary Page of this Agreement, measured on a monthly basis, to promote the Franchised Business. You shall furnish to Franchisor, upon request, invoices and supporting documentation evidencing your advertising expenditures. We will maintain control over all promotional and marketing materials to be used in your Franchised Business. You may, at your option, submit to us proposed materials, which we will review and let you know whether they are approved within 10 days of their receipt. Materials that are not approved within this 10-day period are considered not approved. All advertising and promotions you place in any medium must be conducted professionally and must conform to our standards and requirements.

9.1.6 All marketing and promotion must be conducted in a professional and dignified manner and must conform to our specified standards and requirements. All marketing and promotional materials, including product identification materials, point-of-purchase promotional materials, promotion memorabilia, and merchandise and prizes, will either be provided for you, or be made available to you for purchase through us.

9.1.7 Interactive Advertising. You may maintain an online presence and use the iCode name and Marks in social media and online marketing only in strict accordance with our standards and policies, as they may be revised periodically. You must comply with Franchisor’s privacy policy, terms of use, social media policy, online standards, and editorial style guidelines.

9.1.8 Social Media. You are expected to understand and follow Franchisor’s Social Media guidelines. These guidelines will continually evolve as new technologies and social networking tools emerge. Emerging social media platforms for online collaboration are fundamentally changing the way the iCode brand engages with clients. Franchisor is dedicated to driving brand awareness and attraction through relevant content to help build a stronger, more successful community of clients. You are strictly prohibited from creating social media pages for individual iCode Schools or cooperative iCode School markets on any social or networking website, including Facebook, Twitter, YouTube, Pinterest, Instagram, Foursquare, or any similar sites, without Franchisor’s prior written consent in each instance. Franchisor’s digital marketing provides the opportunity for individual iCode Schools and cooperative markets to promote unique messages through an approved content submission process. Franchisor may withhold consent for any reason. Franchisor controls and maintains full administrative rights to all of your Social Media pages, including the right to remove posts on any Social Media platform that it believes, in its sole opinion, misrepresents the iCode brand. Further, Franchisor has the right to restrict or deny access to any franchisee to Social Media pages if there are repeat offenses, including the right to take control and/or shut down such offending Social Media pages.

9.1.9 Advertising Cooperatives. Franchisor has the sole right to authorize and establish local and regional Advertising Cooperatives. You are required to become a member of any such Advertising Cooperative in your local or regional market. In markets where an Advertising Cooperative is currently established, you will be furnished a copy of the bylaws before you execute this Franchise Agreement. If your market area does not yet have an established Advertising Cooperative, at such date when Franchisor authorizes a new Advertising Cooperative in your market area, you will be furnished a copy of both a subscription agreement and the bylaws for such newly formed Advertising Cooperative.

10. INTELLECTUAL PROPERTY

10.1 Acknowledgments. You expressly understand and acknowledge that: (a) as between you and Franchisor, Franchisor is the exclusive owner of all right, title and interest in and to the Marks (and all goodwill symbolized by them) and the Copyrighted Works; (b) the Marks are valid and serve to identify the System and those who are licensed to use the System; (c) your use of the Marks and Copyrighted Works pursuant to this Agreement does not give you any ownership interest or other interest in or to them, except the nonexclusive license to use them in accordance with this Agreement and the Standards; (d) any and all goodwill arising from your use of the Marks and/or the System shall inure solely and exclusively to Franchisor’s benefit, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System or the Marks; and (e) the license and rights to use the Marks and Copyrighted Works granted hereunder to you are nonexclusive, and Franchisor may: (i) itself use, and grant franchises and licenses to others to use, the Marks, Copyrighted Works and the System; (ii) establish, develop and franchise other systems, different from the System licensed to you herein, without offering or providing you any rights in, to or under such other systems; and (iii) modify or change, in whole or in part, any aspect of the Marks or Copyrighted Works.

10.2 Rights Granted to Franchisee. The license to use the iCode system, along with all intellectual property, granted to you under this agreement is non-exclusive. Franchisor, in its sole and absolute

discretion, has the right to grant other licenses. Franchisor retains the right to develop and license other names and marks on any such terms and conditions as it deems appropriate.

10.3 Modification of the Marks and Copyrighted Works. Franchisor reserves the right to add, eliminate, or modify any of the Marks and Copyrighted Works. You must promptly, and at your expense, take all actions necessary to adopt all new and modified Marks and/or Copyrighted Works and discontinue using obsolete Marks and/or Copyrighted Works. These requirements may include doing business under a name other than “ICODE.”

10.4 Use of the Marks and Copyrighted Works.

10.4.1 You shall use only the Marks and Copyrighted Works designated by Franchisor and shall use them only in connection with the operation and promotion of the Franchised Business and in the manner required or authorized and permitted by Franchisor.

10.4.2 Your right to use the Marks and Copyrighted Works is limited to the uses authorized under this Agreement and in the Manual, and any unauthorized use thereof shall constitute an infringement of Franchisor rights and grounds for termination of this Agreement.

10.4.3 You shall not use the Marks as part of your Business Entity or other legal name. You shall comply with all requirements of Franchisor and applicable state and local laws concerning use and registration of fictitious and assumed names and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Marks or to maintain their continued validity and enforceability.

10.4.4 You shall not use the Marks or any part or derivative thereof or any of the Copyrighted Works on the internet, except as expressly permitted in writing. Without limiting the generality of the foregoing, you may not use the Marks or any part or derivative of the Marks as part of any URL or domain name, and may not register as part of any user name on any gaming website or social networking website (such as Facebook, Instagram, or Twitter) or as part of any unauthorized email address. You also may not display on any website (including commercial websites, gaming websites, and social networking websites) the Copyrighted Works, which include the design portion of its Marks, or any collateral merchandise identified by the Marks.

10.5 Assignment of Copyrighted Works. To the extent that you or any Owner creates any derivative work based on the Copyrighted Works (“Derivative Works”), you and each such Owner assigns to Franchisor all ownership in and to the Derivative Work and agree to execute such further assignments as Franchisor may request. You and each Owner shall take all actions and sign all documents necessary to give effect to the purpose and intent of this Section 10.5. You and each Owner irrevocably appoint Franchisor as true and lawful attorney-in-fact for you and each Owner and authorize Franchisor to take such actions and to execute, acknowledge and deliver all such documents as may from time to time be necessary to convey to Franchisor all rights granted herein.

10.6 Infringement; Notice of Claims. If you become aware of any infringement of the Marks or Copyrighted Works or if your use of the Marks or Copyrighted Works is challenged by a third party, then you must immediately notify Franchisor. Franchisor shall have the exclusive right to take whatever action it deems appropriate. If Franchisor or its Affiliate undertakes the defense or prosecution of any litigation pertaining to any of the Marks or other intellectual property, you must sign all documents and perform such acts and things as may, in the opinion of Franchisor’s counsel, be necessary to carry out such defense or prosecution. If it becomes advisable at any time in the sole discretion of Franchisor to modify or discontinue the use of any Mark or Copyrighted Works, or to substitute a new mark or graphic for any Mark or Copyrighted Work, as applicable, you must promptly comply, at your expense (which may include the cost of replacement signage and/or trade dress), with such modifications, discontinuances or substitutions.

10.7 Remedies and Enforcement. You acknowledge that in addition to any remedies available to Franchisor under this Agreement, you agree to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, a temporary restraining order and/or an injunction against violation of the provisions of this Article 10.

11. RECORD KEEPING AND INSPECTION

11.1 Recordkeeping and Reporting. You are required to keep business records in accordance with generally accepted accounting principles, as well as compile data to submit for monthly summaries (which will be submitted to Franchisor, along with royalty payments) showing the results of operations for the Franchised Business. If we specify additional records for periodic reporting, you agree to submit records as required. You agree to keep all summaries, accounting records and books, sales and purchase documents, tax records, bank statements and deposit tickets, as well as all state and federal business tax returns for the preceding three years.

11.2 Audit. Franchisor has the right to audit your financial records at any time for any reason or no reason at all. Within 15 days from Franchisor's request, you agree to: (a) photocopy and deliver to Franchisor those required records that it specifies or (b) provide Franchisor access to any required records that it specifies for examination and photocopying. Franchisor agrees to keep any records you provide to it confidential, except as required by law or any legal proceeding. If any audit discloses an understatement of gross sales, you shall immediately pay Franchisor the amount of the royalties and any other fees due to Franchisor, along with a reasonable late fee, plus interest at 1.5% per month, or the maximum amount allowed under law, whichever is less. You agree to pay the reasonable costs of such audit if either: (a) sales were underreported or (b) financial records are not available when requested. The Audit Fee will be billed separately and will be payable in 30 days.

12. DEBTS AND TAXES

12.1 You shall pay promptly when due all obligations incurred directly in connection with the Franchised Business. This includes, but is not limited to: taxes and assessments; lease payments; supplier payments; payroll obligations; payments for maintenance and improvement of the land, building, equipment, fixtures, signs, furnishings and other property; prompt payment of any liens and encumbrances created or placed upon any property of yours, as well as all accounts or other indebtedness of every kind and character incurred by or on behalf of you in the operation of the Franchised Business.

13. COVENANTS

13.1 Confidentiality. You shall maintain the confidentiality of all Confidential Information. You shall use Confidential Information only in connection with the operation of the Franchised Business and shall divulge Confidential Information only to your employees and only on a need-to-know basis.

13.2 Noncompetition. You acknowledge that, as an iCode franchisee, you will receive specialized training of iCode systems that is beyond your present skills and those of your managers and employees. You further acknowledge that you will receive access to our confidential and proprietary information, including methods, practices and products that will provide a competitive advantage to you (See sample Confidentiality Non-Compete Agreement attached to this Agreement as Attachment E). As a condition of training you, sharing Franchisor's confidential and proprietary information with you, and granting you a license to use the iCode intellectual property, Franchisor requires the following covenants in order to protect its legitimate business interests:

13.2.1 During the Term of the Agreement. You and each Owner acknowledge that you and each Owner will receive valuable specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques and trade secrets of Franchisor and the System. You and each Owner covenant and agree that during the term of this Agreement, except as otherwise approved in writing by Franchisor, you and, if applicable, such Owner, shall not, either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, or legal entity:

13.2.1.1 Divert or attempt to divert any present or prospective customer of the Franchised Business or any other business operating under the Marks to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

13.2.1.2 Oppose the issuance of building permits or zoning variants or other governmental approval required for the development of another iCode School.

13.2.1.3 Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business, other than an iCode School or iCode Reach, at any location within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks.

13.2.2 After Termination or Expiration of the Agreement. For a continuous two year period commencing upon a transfer permitted under Article 14 of this Agreement, expiration of this Agreement (without renewal), or termination of this Agreement (regardless of the cause for termination), you shall not either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, persons, or legal entity, own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with any Competitive Business, other than an iCode School or iCode Reach, and (a) is, or is intended to be, located at the location of the former iCode School or within a 25- mile radius of the former iCode School, if you are given the right to operate an iCode School pursuant to this Agreement, (b) is, or is intended to be, located within the Protected Area or within a 25-mile radius of the Protected Area, if you are given the right to operate an iCode Reach pursuant to this Agreement; (c) is within a 25-mile radius of any iCode School in existence or under development at the time of such expiration, termination, or transfer; or (d) is within the protected area of any iCode Reach in existence or under development at the time of such expiration, termination, or transfer. If any Owner ceases to be an Owner of the franchisee for any reason during the franchise time, the foregoing covenant shall apply to the departing Owner for a two-year period beginning on the date such person ceases to meet the definition of Owner. The obligations described in this Section 13.2.2 shall be tolled during any period of noncompliance.

13.3 Enforcement of Covenants. You acknowledge and agree that (i) this section is reasonable because it promotes and protects the subject matter of this Agreement and/or the underlying relationship and/or deters any potential conflict of interest; (ii) the time, territory, and scope of the covenants provided in this Section are reasonable and necessary for the protection of our legitimate business interests; (iii) you have received sufficient and valid consideration in exchange for those covenants; (iv) enforcement of the same would not impose undue hardship because you have sufficient professional skills to obtain an employment; (v) you did not operate any educational centers before acquiring this franchise; and (vi) the period of protection provided by these covenants will not be reduced by any period of time during which you are in violation of the provisions of those covenants or any period of time required for enforcement of those covenants. To the extent that this Section is judicially determined to be unenforceable by virtue of its scope or in terms of area, restricted activity or length of time, but may be made enforceable by reductions of any or all thereof, the same will be so modified and enforced to the fullest extent permissible. You agree that the existence of any claim you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants contained in this Section. You acknowledge that any breach or threatened breach of this Section will cause us irreparable injury for which no adequate remedy at law is available, and you consent to the issuance of a temporary or permanent injunction prohibiting any conduct violating the terms of this Section. Such injunctive relief will be in addition to any other remedies or claims for damages that we may have.

13.3.1 Disputed Enforceability. The parties have attempted in the above Section to limit Franchisee's right to compete only to the extent necessary to protect Franchisor from unfair competition. The parties hereby expressly agree that if the scope of enforceability of the above provision is disputed at any time by Franchisee, a court or arbitrator, as the case may be, may modify this Section to the extent it deems necessary to make supervision enforceable under applicable law. In addition, Franchisor reserves the right to reduce the scope of said provision with your consent, at any time or times, effective immediately upon notice to you. YOU EXPRESSLY ACKNOWLEDGES THAT YOU POSSESS SKILLS AND ABILITIES OF A GENERAL NATURE AND HAS OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE YOU OF THE ABILITY TO EARN A LIVING.

13.3.2 Your Acknowledgment. Franchisor must be protected against the potential for unfair competition by your use of Franchisor's training, assistance, Confidential Information, and Trade Secrets in direct competition with Franchisor. You further acknowledge that Franchisor would not have entered into this Agreement or shared the Confidential Information, Trade Secrets, and other information with you absent your agreement to strictly comply with the provisions of this Section. You acknowledge that as a Franchisee of Franchisor, it will have access to Franchisor's Trade Secrets and Confidential Information and therefore be in a unique position to use the special knowledge gained as a franchisee. You acknowledge that a breach of the covenants contained in this Section will be deemed to threaten immediate and substantial irreparable injury to Franchisor. Accordingly, Franchisee agrees that Franchisor will have the right without prior notice to Franchisee, to obtain immediate injunctive relief without limiting any other rights or remedies and without posting a bond

13.4 Remedies. You agree that a breach of the covenants contained in this Article will be deemed to threaten and cause immediate and substantial irreparable injury to Franchisor and will give Franchisor the right to obtain immediate injunctive relief without limiting other rights that it might have. If a court or other tribunal determines that any section of this non-compete agreement is invalid or unenforceable then the time, geographical area, and scope of activity restrained shall be deemed modified to the minimum extent necessary such that the restrictions shall be valid and enforceable.

13.5 Pre-Termination Rights.

Prior to the termination of the Agreement, if you fail to pay any amounts owed to the Franchisor or its affiliates, fail to comply with any term of this Agreement or notify the Franchisor that the Franchised Business is closing, then in addition to the Franchisor's right to terminate this Agreement or to bring a claim for damages, the Franchisor has the option to:

- (a) Remove the listing of the Franchised Business from all advertising published or approved by us;
- (b) Cease listing your Franchised Business on any Technology Platforms;
- (c) Prohibit you from attending any meetings or programs held or sponsored by the Franchisor;
- (d) Terminate your access to any computer system or software Franchisor may own, maintain or license to you (whether licensed by the Franchisor or its affiliates);
- (e) Temporarily suspend all services the Franchisor or its affiliates provides to you under this Agreement or otherwise; and/or
- (f) Contact your landlord, lenders, and suppliers regarding the status of your operations, and provide copies of any default or other notices to such landlords, lenders and suppliers.
- (g) In addition, if you notify the Franchisor that you are closing the Franchised Business or otherwise communicate to others that you are closing the Franchised Business, you agree that your billing processor may withhold up to one-half (1/2) of monies that would otherwise be payable to cover any post-

termination obligations you may have, including to reimburse future fees paid by your customers for periods beyond the closing date.

The Franchisor's actions as outline in this Section may continue until you have brought the accounts current, cured any default and complied with the Franchisor's requirements, and you have acknowledged the same in writing. The taking of any of the actions permitted in this section will not suspend or release you from any obligation that would otherwise be owed to the Franchisor or its affiliates under the terms of this Agreement or otherwise.

14. TRANSFER, SALE AND ASSIGNMENT

14.1 **Transfer by Franchisor.** This Agreement inures to the benefit of Franchisor's successors and assigns, and it may assign its rights to any person or entity that agrees in writing to assume all of its obligations. Upon transfer, Franchisor will have no further obligation under this Agreement, except for any accrued liabilities.

14.2 **Transfer by You.** You acknowledge that Franchisor entered into this Agreement based on the qualifications of the proposed owners of the franchise. The license to use the System and all associated intellectual property cannot be transferred except as follows:

14.3 **Transfer on Death.**

14.3.1 The franchise can transfer upon death, either by bequest or intestate succession, as long as within three months, the deceased's legal representative proposes to Franchisor in writing to transfer the interest of the deceased to one or more transferees. The transferees would be required to agree in writing to assume your obligations under this Agreement, and to attend the training program provided by Franchisor. Any such transfer must occur within one year of your death. This Agreement shall automatically terminate if not transferred within one year of your death, unless Franchisor grants an extension in writing.

14.3.2 In the event of your death or incapacity, you agree to grant authority for Franchisor to step in and run the Franchised Business until the proposed transferee can be trained and can take over operations. You agree that a reasonable management fee of 4% can and will be charged for the provision of management services by Franchisor.

14.4 **Third-Party Purchasers.** You can sell your remaining interest in the franchise only under the terms and conditions set forth in this section. Initial transfer of interest to an entity formed by Franchisee to act as franchisee is not considered transfer for the purpose of this Section 14.4 and therefore, is not subject to transfer fee.

14.4.1 First, you must deliver to Franchisor written notice of the proposed sale, which notice must include the name and address of any proposed transferee, the purchase price, payment terms, and other material terms of the proposed sale, and a copy of the letter of intent signed by the proposed buyer.

14.4.2 Franchisor shall have the right and option, exercisable within 30 days after receipt of such notice, to purchase the seller's interest on the same terms and conditions offered by the proposed buyer. If the bona fide offer provides for the exchange of assets other than cash or cash equivalents, the bona fide offer shall include the fair market value of the assets and you shall submit with the notice an appraisal prepared by a qualified independent third party evidencing the fair market value of such assets as of the date of the offer. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. If Franchisor elects to purchase the seller's interest, closing on such purchase must occur by the later of: *(a)* the closing date specified in the third-party offer; or *(b)* within 60 days from the date of notice to the seller of Franchisor's election to purchase. Franchisor's failure to exercise the option described in this Section 14.4. shall not constitute a waiver of any of the transfer conditions set forth in this Article 14.

14.4.3 If Franchisor does not exercise the right of first refusal, the proposed transfer may only proceed under these circumstances:

14.4.3.1 The proposed transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's then-current educational, managerial, and business criteria for new franchisees, possesses a good moral character, business reputation, and credit rating, has the aptitude and ability to operate the Franchised Business, and has sufficient equity capital to operate the Franchised Business;

14.4.3.2 The transferee shall have executed the form of Franchise Agreement being offered to new franchisees at the time of the transfer, the terms of which may be materially different than the terms of this Agreement and may include, among other things, a different or higher royalty fee and different advertising obligations. The term of such agreement shall be the remaining term of this Agreement at the time of transfer.

14.4.3.3 The proposed transferee must assume all other financial obligations which may occur with the selling of the franchise;

14.4.3.4 You must be in full compliance with this Agreement at the time of proposed transfer;

14.4.3.5 All outstanding debts and/or liens relating to the Franchised Business, including sales taxes, must be paid prior to transfer. Proof must be provided to Franchisor;

14.4.3.6 A Transfer Fee in the amount reflected on the Summary Pages must be paid to Franchisor within at least five days prior to closing on the transfer;

14.4.3.7 With respect to a transfer of an iCode School program franchise, the transferee assumes all real estate obligations relating to the iCode School and agrees to refurbish the iCode School so that it reflects the then-current image new iCode Schools within 90 days of the transfer;

14.4.3.8 The transferee shall have complied with Franchisor's then-current training requirements;

14.4.3.9 If the transferee is a Business Entity, then the transferee's Owners each shall sign Franchisor's standard form of guaranty and personal undertaking;

14.4.3.10 New franchisee shall execute a new franchise agreement in our then-current form, which may be materially different than this Agreement (provided that the term of the new franchise agreement will be the remaining term of the existing franchise agreement);

14.4.3.11 New franchisee must refurbish the Franchise Business to meet our then-current standards of franchised business; and

14.4.3.12 If Franchisor introduced the buyer to you, you have paid all fees due Franchisor under its then-current franchise resale policy or program.

Franchisor will not unreasonably withhold consent to transfer as long as all of the conditions in this subsection are met.

15. TERMINATION AND EXPIRATION

15.1 **Automatic Termination.** You shall be deemed to be in default under this Agreement, and all rights granted to you in this Agreement shall automatically terminate without notice, if you 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 you and you do not oppose it; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver for 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 is instituted by or against you; if a final judgment remains unsatisfied or of record

for 30 days or longer (unless a supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against the iCode School premises (if you operate an iCode School) or assets or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable.

15.2 Termination by Franchisor. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, upon the occurrence of a Non-Curable Default (as described in Section 15.3., below), or upon your failure to cure a Curable Default (as described in Section 15.4., below), within the relevant cure period.

15.3 Termination with Notice and Without Opportunity to Cure. A non-curable default includes:

15.3.1 Abandonment of the location, defined as a failure to operate the Franchised Business for a period of 14 consecutive days or more;

15.3.2 Any real or personal property of your business is sold at levy;

15.3.3 You or any of your owners, directors, or officers commit a crime involving moral turpitude, or any other crime or offense that is injurious to the iCode name or goodwill regardless of whether a conviction occurs;

15.3.4 You or your owners, officers or directors commit a fraud upon us or a third party relating to your franchise;

15.3.5 The existence of four or more curable defects within a one-year time period for which separate notices of default were given, regardless of whether the defects were ultimately cured.

15.3.6 Knowingly maintain false books or records;

15.3.7 Infringement or misuse of the licensed Marks;

15.3.8 Failure to successfully complete the training;

15.3.9 Failure to open the franchised business by required Opening Date;

15.3.10 Failure to maintain right to Franchised Business premises;

15.3.11 Violation of any confidentiality or non-competition provision of this Agreement;

15.3.12 fraud, felony or other crime;

15.3.13 Violation of any law, regulation, order or standards relating to health, sanitation or safety;

15.3.14 Failure to cure any situation that poses an imminent risk to public health and safety;

15.3.15 Loss of any permit or license required to operate the Franchised Business; or

15.3.16 four or more curable defects within one year, regardless if these were subsequently corrected.

15.3.17 Default of any other franchise agreement between you or your affiliate and us is a default under this Franchise Agreement. We may at our discretion terminate this Agreement on account of the for-cause termination of any other franchise agreement between you or your affiliate and us.

15.4 Curable Defaults. Curable defaults may include, but are not limited to:

15.4.1 Failure to comply with the policies and procedures outlined in the Manual;

15.4.2 Failure to pay royalties, along with any late fees and interest charges on unpaid amounts;

15.4.3 Failure to pay any other amount owing under this Agreement including, but not limited to, training fees, audit fees, or additional assistance fees; or

15.4.4 Any other issue which, in the opinion of Franchisor, negatively impacts its or the iCode brand's goodwill and/or reputation.

15.4.5 Default of any other franchise agreement between you or your affiliate and us is a default under this Agreement.

In the event of a curable default, Franchisor will provide you with notice via telephone, email or other electronic communication. You must immediately acknowledge receipt of the notice and take immediate steps to correct the problem. If you have not taken immediate steps to correct the problem, Franchisor will provide a written notice of default to you. Once written notice is sent, a reasonable opportunity will be provided to correct the default. Reasonable depends on the circumstances, but 24 hours is presumed reasonable to fix an issue that relates to public health or sanitation, seven (7) days is presumed reasonable to fix an issue related to the violation of any policy or procedure in the Manual, and thirty (30) days is presumed reasonable to fix any issue related to the payment of debts or amounts due under this Agreement.

If, after reasonable notice is provided to correct the default, and such default is not corrected to the satisfaction of Franchisor, Franchisor will provide Notice of Termination as described below. Likewise, if you correct a curable default, Franchisor will provide you written notification that such default has been cured.

15.5 Obligations upon Termination or Expiration of this Agreement.

15.5.1 Upon termination, or expiration of this Agreement, you will no longer have any rights granted to you under this Agreement. You must pay all money owed under this Agreement, including any late fees and interest, within 30 days. You must immediately cease operation of the iCode School and refrain from representing yourself as a current or former iCode franchisee. You must immediately cease all use of the Marks, Copyrighted Works, Confidential Information, and use of the Manual, and cease to participate directly or indirectly in the use or benefits of the iCode System. You must, within 10 days, return all originals and copies of the Manual, plans, specifications and all other materials in your possession belonging to Franchisor and relating to the operation of the iCode School, all of which you acknowledge to be Franchisor's property.

15.5.2 If you operate an iCode School, at Franchisor's request, you shall assign to Franchisor or its designee your interest in the lease for the iCode School premises. If Franchisor elects not to exercise this option or fails to exercise this option within 60 days following termination or expiration of this Agreement, you shall modify the iCode School premises to remove any trade dress items and to distinguish its appearance from that of other iCode Schools, which includes making any modifications requested by Franchisor for this purpose.

15.5.3 If you operate an iCode Reach, at Franchisor's request, you shall assign to Franchisor your interest in any shared real estate or similar agreement. You must de-identify any and all Company Vehicles to Franchisor's satisfaction.

15.5.4 Franchisor shall have the option to purchase any or all of the Franchised Business' furniture, fixtures, equipment, inventory, supplies, and signs at their depreciated book value, assuming a five-year useful life. For avoidance of doubt, our purchase price for the portion of your inventory or supplies purchased directly from us or any of our affiliates shall be at your cost. Our purchase price for the remaining inventory, equipment, supplies and furnishings utilized by you in the operation of the Franchised Business shall be the fair wholesale market value thereof. In addition, Franchisor shall be permitted to deduct and withdraw from the purchase price to be paid to you for any such items all sums due and owed to the Franchisor. In determining the fair market value of such items, the parties shall exclude any factor or increment for goodwill or going-concern value. Franchisor shall exercise its option by written notice to you delivered before or during the 60-day period following termination or expiration of this Agreement.

If the parties are unable to reach an agreement as to the fair market value of the assets of the Franchised Business to be purchased by us, the parties hereby agree to appoint an independent appraiser to make such determination, whose determination will be binding upon the parties. The fees and expenses of such appraisal shall be paid in equal proportions by the parties. If you do not object to proposed appraiser within twenty (20) days after our notice, such appraiser will be deemed approved by both parties.

15.5.5 Comply with the post termination covenants described in Article 13.

15.6 Liquidated Damages. If, prior to the Expiration Date, Franchisee terminates this Agreement without good cause, or if Franchisor terminates this Agreement on account of Franchisee's material default hereof, the parties acknowledge and agree that Franchisor will suffer damages for the loss of the benefit bargained for in this Agreement and irreparable damage to the integrity of the franchise system. As compensation for these damages Franchisor shall be entitled to collect from Franchisee, in addition to all other amounts due Franchisor (including, without limitation, any payments due to the Franchisor under this Agreement), liquidated damages calculated as an amount equal to (a) the product of your Average Gross Sales, multiplied by the lesser of (i) twenty-four months, or (ii) the number of full months remaining in the franchise term. For purposes of this calculation, "Average Gross Sales" means total Gross Sales and Brand Development Fee paid by you for the twelve-month period immediately preceding termination, divided by twelve. If the Franchised Business has been operating for less than twelve months at the time of termination, "Average Gross Sales" means total Gross Sales and Brand Development Fee for the period of operation divided by the number of months in operation. Franchisee acknowledges and agrees that, in the event of Franchisee's violation of this Agreement by premature closure, abandonment, or termination due to violation of this Agreement, proof of actual damages would be difficult and that the formula for calculating liquidated damages contained herein is a reasonable estimate of what actual damages would be. The foregoing formula does not result in a penalty. Franchisor has an expectation that Franchisee's franchised business will be open and operating for the full Term of the Agreement. An early closure reduces Franchisor's revenue and damages our image in the public. Calculating the value and expense of this injury is difficult to determine and may be hard to calculate with specificity, but the parties acknowledge the injury. Therefore, the parties have elected to agree in advance to calculation of liquidated damages to compensate Franchisor for its damages and to provide certainty to Franchisee of the amounts due.

16. INDEMNIFICATION

16.1 You will indemnify and hold Franchisor, as well as its respective members, officers, directors, employees, agents and representatives harmless from all claims related in any way to your operation, possession or ownership of the Franchised Business or the Franchised Business premises, or any debt or obligation of yours. This indemnification covers all fees (including reasonable attorney's fees), costs, and other expenses incurred by Franchisor or on its behalf in the defense of any claims, and shall not be limited by the amount of insurance required under this agreement. Franchisor's right to indemnity shall be valid notwithstanding that joint or concurrent liability may be imposed on us by statute, ordinance, regulation or other law. Franchisor will notify you of any claims covered by this paragraph and you shall have the opportunity to assume the defense of the matter. Franchisor shall have the right to participate in any defense that is assumed by you, at its own cost and expense. No settlement of any claim against Franchisor shall be made without our prior written consent if it would be subjected to any liability not covered by you or your insurer. Franchisor indemnifies you, your respective members, officers, directors, employees, agents, and representatives against any claim or action arising from the actions and/or operations of Franchisor, and/or the iCode franchise system.

17. APPLICABLE LAW; DISPUTE RESOLUTION

17.1 Choice of Law. This Agreement and all claims arising out of or related to this Agreement, the parties' relationship created hereby, and/or the offer and sale of the franchise opportunity shall be construed under and governed exclusively by the laws of the State of Texas (without giving effect to any conflict of laws) unless application of such law is determined to be prohibited by another state's public policy.

17.2 Mediation.

17.2.1 The parties acknowledge that during the term of this Agreement certain disputes may arise that the parties are unable to resolve, but that may be resolvable through mediation. To facilitate such resolution, Franchisor, you, and each owner agree to submit to mediation any claim, controversy or dispute between you and Franchisor (and either party's respective Affiliates) including, without limitation, claims arising out of or related to: (a) this Agreement or any other agreement between Franchisor and you, (b) Franchisor's relationship with You, or (c) the validity of this Agreement or any other agreement between Franchisor and You, before bringing such claim, controversy or dispute in a court or before any other tribunal.

17.2.2 The mediation shall be conducted by a mediator agreed upon by Franchisor and you and, failing such agreement within not more than 15 days after either party has notified the other of its desire to seek mediation, by the American Arbitration Association or any successor organization ("AAA") in accordance with its rules governing mediation. Mediation shall be held at the offices of the AAA in the city in which Franchisor maintains its principal place of business at the time mediation is initiated. The costs and expenses of mediation, including the compensation and expenses of the mediator (but excluding attorneys' fees incurred by either party), shall be borne by the parties equally.

17.2.3 If the parties are unable to resolve the claim, controversy, or dispute within 90 days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may bring a legal proceeding pursuant to Section 17.3. The parties agree that statements made during such mediation proceeding will not be admissible for any purpose in any subsequent legal proceeding.

17.2.4 Notwithstanding the foregoing provisions of this Section 17.2, the parties' agreement to mediate shall not apply to controversies, disputes, or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, your misuse or infringement of the Marks, or your misuse of Confidential Information. Moreover, regardless of this mediation agreement, Franchisor and You each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief in any court of competent jurisdiction.

17.2.5 Neither illness, Covid or Contagion, inconvenience, weather, or any other reason shall serve to excuse your personal appearance for mediation.

17.3 Arbitration.

17.3.1 Any dispute, controversy, or claim between the parties or their respective affiliates or owners including, without limitation, claims arising out of or relating to this Agreement and the relationships created hereby that are not resolved during the mediation process described in Section 17.2, must be resolved by arbitration. The arbitration must be administered in accordance with the Commercial Rules of the AAA. One Arbitrator will be appointed with experience in franchising or franchise law. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) ("FAA"). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction, and the arbitrator must state in writing the reasoning upon which the award is based. The costs and expenses of arbitration paid to the AAA or to the arbitrator will be paid equally by the parties. All other arbitration-related expenses including, but not limited to, attorney's fees and travel expenses, will be paid by the party that incurred such expense; subject to reimbursement under an award to a prevailing party.

17.3.2 For avoidance of doubt, this provision specifically requires both parties to arbitrate our disputes through the American Arbitration Association ("AAA"). The arbitration process allows the disputes to be heard and decided by one arbitrator, selected using the AAA's standard selection process, apply the law to the facts and evidence presented and where we will not use the local court system or its judges. By signing this franchise agreement, you are consenting to resolve disputes through arbitration administered by the AAA, using the current AAA commercial rules.

17.3.3 Arbitration will be conducted in the city in which Franchisor maintains its principal business offices at the time of the arbitration. Arbitration will be conducted on an individual, not a class wide, basis and an arbitration proceeding between the parties and their respective owners, officers, directors, agents, and/or employees may not be consolidated with any other arbitration proceeding between Franchisor and any other person. The arbitrator has no power or authority to award exemplary or punitive damages.

17.3.4 Any disputes shall apply Texas laws and concerning the enforceability or scope of this arbitration provision must be resolved pursuant to the FAA, and the parties agree that the FAA preempts any state law restrictions (including the site of the arbitration) on the enforcement of this arbitration provision.

17.3.5 If you institute any claim subject to this arbitration proceeding in any court, and Franchisor succeeds in a motion to compel arbitration of the claim, you must reimburse Franchisor its reasonable attorney's fees and costs in defending the action and in its motion to compel arbitration.

17.3.6 Notwithstanding the foregoing, Franchisor has the right to apply to any court of competent jurisdiction for injunctive relief to prevent continued or threatened harm while arbitration is pending. You and your owners irrevocably consent to personal jurisdiction in the state courts located in the county in which Franchisor maintains its principal place of business for this purpose.

17.3.7 Notwithstanding the foregoing provisions of this Section 17.3., the parties' agreement to arbitrate will not apply to controversies, disputes, or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, your misuse or infringement of the Marks, or your misuse of Confidential Information. Moreover, regardless of this arbitration agreement, Franchisor and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief in any court of competent jurisdiction.

17.3.8 Neither illness, Covid or Contagion, inconvenience, weather, or any other reason shall serve to excuse your personal appearance for depositions or evidentiary hearings.

17.4 Venue. Without limiting the generality of the arbitration provision, the parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought and maintained exclusively in the state court serving the judicial district in which Franchisor maintains its principal place of business at the time the action is initiated, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Notwithstanding the foregoing, Franchisor shall have the right to seek injunctive relief from any court of competent jurisdiction.

17.5 Non-exclusivity of Remedy. No right or remedy conferred upon or reserved to Franchisor or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

17.6 WAIVER OF JURY TRIAL. FRANCHISOR AND YOU IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

17.7 WAIVER OF PUNITIVE DAMAGES. THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

17.8 Contractual Limitations Period. No legal action or proceeding may be brought against Franchisor or its officers, directors, agents, or employees, for any claim or cause of action (whether sounding in contract, tort, or otherwise) unless such action or proceeding is instituted within two years and one day from the date the claim or cause of action accrued. This provision is intended to shorten any applicable statute of limitations to the extent permitted by law.

17.9 Attorney's Fees. If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorney fees and costs of suit.

18. CONSTRUCTION

18.1 Entire Agreement. This Agreement and the documents referred to constitute the entire agreement of the parties and supersedes and cancels any and all prior and contemporaneous agreements, understandings, representations and statements of the parties. Nothing in this or in any related agreement, however, is intended to disclaim the representations made in the Franchise Disclosure Document. The parties expressly acknowledge that they are entering into this Agreement voluntarily, without any inducement and as a result of their own independent investigation and after consultation with their own attorney. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

18.2 Modification of Franchise Agreement. This Franchise Agreement may only be modified if in writing and signed by all parties to this Agreement.

18.3 Modifications to Manual. Franchisor may modify the Manual at any time for any reason and in its sole discretion, as it deems necessary due to competitive factors, protection of trademarks and intellectual property, or to improve the quality of products or services provided by Franchisor. All parties to this Agreement shall receive notice of any such modification of the Manual and will have a reasonable period within which to make adjustments of changes in order to comply with the newly enacted policies and procedures. Modifications will be made applicable to all franchisees and will not alter the rights of either party under this Agreement.

18.4 No Waiver. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless the same is made in writing and duly executed by the party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid.

18.5 Severability. If any part of this Agreement shall for any reason be declared invalid, unenforceable or impaired in any way, the validity of the remaining portions shall remain in full force and effect as if this Agreement has been executed with such invalid portion eliminated.

18.6 Notices. All notices and other communications required to be given in writing shall be deemed given when delivered in person or mailed by certified mail. Unless a change of address is provided to all parties to this Agreement, notices to each party shall be provided at the addresses listed on the Summary Page of this Agreement. You acknowledge that all notices required to be given to us in writing, simultaneously, you shall provide a true and accurate copy to

Canada Lewis & Associates, PLLC,
Attention: Nirali Patel
5550 Granite Parkway, Suite 195
Plano, Texas 75024
Email: NPatel@canadalewis.com.

18.7 **Terms and Headings.** Unless otherwise defined in this body of this Agreement, capitalized terms have the meaning ascribed to them in Attachment A (“**Glossary of Additional Terms**”). All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement. All terms in this agreement, regardless of the number or gender in which they are used, shall be deemed and construed to include any other number singular or plural and any other gender as the context may require. The headings inserted in this agreement are for reference purposes only and shall not affect the construction of this Agreement or limit the generality of any of its provisions.

18.8 **Franchise Disclosure Document.** You expressly acknowledge that you have received a copy of the most current iCode Franchise Disclosure Document at least fourteen (14) days prior to the signing of this Agreement. The Franchise Disclosure Document is included in and made a part of the terms and conditions of this Franchise Agreement.

18.9 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

18.10 **Survival of Terms.** Any provision or covenant of this Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Agreement shall survive such expiration or termination.

18.11 **Persons Bound.** This Agreement shall be binding on the parties and their respective successors and assigns. As applicable, each Owner shall execute the Guaranty and Personal Undertaking attached as Attachment C. Failure or refusal to do so shall constitute a breach of this Agreement. You and each Owner shall be joint and severally liable for each person’s obligations hereunder and under the applicable Guaranty and Personal Undertaking.

18.12 **Rules of Construction.** The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Terms used in this Agreement shall be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

18.13 **Timing.** Time is of the essence with respect to all provisions in this Agreement. Notwithstanding the foregoing, if performance of either party is delayed on account of a Force Majeure, the applicable deadline for performance shall be extended for a period commensurate with the Force Majeure, but not to exceed 12 months.

19. REPRESENTATIONS

19.1. You represent and warrant that the information set forth in Attachment F, incorporated by reference hereto, is accurate and complete in all material respects. You shall notify Franchisor in writing within 10 days of any change in the information set forth in Attachment F. You further represent to Franchisor that **(a)** you are duly organized and validly existing under the law of the state of your formation; **(b)** you are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification; **(c)** your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the development and operation of the Franchised Business; **(d)** neither you nor any of your Affiliates or Owners own, operate, or have any financial or beneficial interest in any business that is the same as or similar to an iCode Franchised Business; and **(e)** the execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under its written partnership or limited

liability company agreement and have been duly authorized.

19.2. You acknowledge that you have conducted an independent investigation of the proposed franchise, and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent on your ability as an independent business person.

19.3. You represent to Franchisor that neither Franchisor nor its agents or representations have made any representations concerning actual or potential sales, expenses, or profit of an iCode Franchised Business, except for information that may have been contained in Item 19 of the franchise disclosure document delivered to you in connection with your purchase of an iCode franchise.

19.4. You acknowledge that you have received a complete copy of Franchisor’s Franchise Disclosure Document at least 14 calendar days before you signed this Agreement or paid any consideration to Franchisor for your franchise rights.

19.5. You acknowledge that you have read and that you understand the terms of this Agreement and its attachments, and that you have had ample time and opportunity to consult with an attorney or business advisor of your choice about the potential risks and benefits of entering into this Agreement.

19.6. You represent that neither your property nor any interest in your property, nor the property of any of your Owners, officers, directors, managers, partners, agents or employees, or their respective interests therein, have been blocked pursuant to Executive Order 13224 of September 23, 2001, pertaining to persons who commit, threaten to commit, or support terrorism (“**Blocked Persons**”). You represent and warrant to Franchisor that you will not accept money from or employ any Blocked Person.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement to be effective as of the Effective Date listed on the Summary Page of this Agreement.

FRANCHISOR:

iCode Franchise, Inc.
a Texas Corporation

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

ICODE FRANCHISE, INC.

CALIFORNIA AMENDMENT TO FRANCHISE AGREEMENT

For purposes of complying with the requirements of California law, including the California Franchise Investment Law, CAL. BUS. & PROF. CODE Section 31000 *et seq.* (“**CFIL**”), and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 *et seq.* (the “**CRA**”), iCode Franchise, Inc., a Texas corporation (“**Franchisor**”) and _____ (“**Franchisee**”), hereby amend the Franchise Agreement between them dated _____ (the “**Agreement**”) as follows:

a. Sections 20000 through 20043 of the CRA provide rights to Franchisee concerning nonrenewal and termination of the Agreement. The Federal Bankruptcy Code also provides rights to Franchisee concerning termination of the Agreement upon certain bankruptcy-related events. To the extent the Agreement contains a provision that is inconsistent with these laws, these laws will control.

b. The Agreement requires Franchisee to execute a general release of claims upon renewal or transfer of the Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 2000 through 20043).

1. The Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Agreement, the covenant may be unenforceable under California law.

2. The Agreement requires litigation, arbitration, or mediation to be conducted in a forum other than the State of California, the requirement may unenforceable under California law.

3. The Agreement requires that it be governed by a state’s law other than the State of California, such requirement may be unenforceable.

4. California Corporations Code section 31512.1 prohibits a franchisor from disclaiming or denying representations made by the franchisor or its agents to a prospective franchisee or a franchisee’s reliance on these representations, or disclaiming violations under the law, in any franchise disclosure document, franchise agreement or a related document. Accordingly, the Agreement is amended to delete Sections 19.2 – 19.5; the intent being that these sections will have no force or effect with effect to franchises subject to the California Corporations Code section 31512.1.

5. All other provisions of the Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

FRANCHISOR:

FRANCHISEE:

ICODE FRANCHISE, INC.

a Texas corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

iCODE FRANCHISE, INC.
ILLINOIS AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT (this “**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Franchise Agreement**”) dated _____, by and between iCode Franchise, Inc., a Texas corporation (“**Franchisor**”), and _____, (“**Franchisee**”). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

1. Section 3.1 of the Franchise Agreement is amended to reflect that payment of the initial franchise fee will be deferred until Franchisor has met its initial obligations to Franchisee, and Franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to the Franchisor’s financial condition.

2. The Illinois Attorney General’s Office requires that certain provisions contained in franchise documents be amended to be consistent with the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/1-44. To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- Notwithstanding the provisions of the Franchise Agreement that Texas law shall govern, Illinois law shall apply to and govern any claim between the parties under the Franchise Agreement that alleges violation of the Illinois Franchise Disclosure Act.
- 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.
- Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
- In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

2. Section 18.1 of the Franchise Agreement is amended to add the following:

Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you.

3. No statement, questionnaire, or acknowledgement 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 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.

4. Sections 19.2 – 19.5 are deleted.

5. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Amendment. To the extent this Amendment shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Amendment shall govern.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

FRANCHISOR:

ICODE FRANCHISE, INC.

a Texas corporation

FRANCHISEE:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

**AMENDMENT TO FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND**

THIS AMENDMENT TO FRANCHISE AGREEMENT (this “**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Franchise Agreement**”) dated _____, by and between iCode Franchise, Inc., a Texas corporation (“**Franchisor**”), and _____, (“**Franchisee**”). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

1. Section 3.1 of the Franchise Agreement is amended to state: “Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by the franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement.”
2. Any provision requiring Franchisee to sign a general release of any and all claims against Franchisor shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law, (the “**Act**”).
3. Any provision requiring Franchisee to bring an action against Franchisor in any state other than Maryland shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law. Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
4. Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits Franchisor from requiring a prospective franchisee to assent to release, estoppel or waiver of liability as a condition of purchasing a franchise. Any provisions which require a prospective franchisee to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase a franchise 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. Notwithstanding anything to the contrary set forth in the Franchise Agreement, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.
6. In the event of any conflict between the terms of this Amendment and the terms of the Franchise Agreement, the terms of this Amendment shall prevail.
7. No statement, questionnaire, or acknowledgement 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 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.
8. Sections 19.2 – 19.5 are deleted.
9. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

FRANCHISOR:

ICODE FRANCHISE, INC.

a Texas corporation

FRANCHISEE:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

ICODE FRANCHISE, INC.
MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT (this “**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Franchise Agreement**”) dated _____, by and between iCode Franchise, Inc, a Texas corporation (“**Franchisor**”), and _____, (“**Franchisee**”). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

1. Section 3.1 of the Franchise Agreement is amended to reflect that payment of the initial franchise fee will be deferred until Franchisor has met its initial obligations to Franchisee, and Franchisee has commenced doing business.

2. Section 10.6 of the Franchise Agreement is amended to add the following:

The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols (“Marks”) or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

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

3. Minnesota Law. The following paragraphs are added to the end of the Development Agreement:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that (1) a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot be required to consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

4. No statement, questionnaire, or acknowledgement 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 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.

5. Sections 19.2 – 19.5 are deleted.

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

FRANCHISOR :

FRANCHISEE :

ICODE FRANCHISE, INC.

a Texas corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

**AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

This Amendment to the iCode Franchise, Inc., Franchise Agreement dated _____ between iCode Franchise, Inc., a Texas corporation, (“Franchisor”) and _____ (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

1. Section 3.1 of the Franchise Agreement is amended to reflect that collection of Initial Franchise Fees shall be deferred until after all of the franchisor’s initial obligations are complete and the franchisee is open for business.
2. 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 grounds 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.
3. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.
4. No statement, questionnaire, or acknowledgement 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 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.
5. Sections 19.2 – 19.5 are deleted.
6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Franchise Agreement simultaneously with the execution of the Franchise Agreement.

FRANCHISOR:

FRANCHISEE:

ICODE FRANCHISE, INC.

a Texas corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ICODE FRANCHISE, INC.

WASHINGTON AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT (this “**Amendment**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Franchise Agreement**”) dated _____, by and between iCode Franchise, Inc., a Texas corporation (“**Franchisor**”), and _____, (“**Franchisee**”). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

1. Section 3.1 of the Franchise Agreement is amended to reflect that collection of Initial Franchise Fees shall be deferred until after all of the franchisor’s initial obligations are complete and the franchisee is open for business.
2. The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
3. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
4. A release or waiver of rights executed by the Franchisee shall not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those 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 Washington Franchise Investment Protection Act, such as a right to a jury trial, may not be enforceable in Washington.
5. Enforcement of non-compete provisions in the state of Washington are subject to state law. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.
6. Transfer fees are collectable to the extent that they reflect Franchisor’s reasonable estimated or actual costs in effecting a transfer.
7. Franchisee may terminate the Franchise Agreement or the Development Agreement under any grounds permitted by law.
8. Location of arbitration or mediation in the state of Washington is subject to state law.
9. In any litigation, arbitration, or mediation involving a franchise purchased in Washington, the site thereof shall be either in the state of Washington, or in a place mutually agreed upon at that time, or as determined by the judge, arbitrator, or mediator, as applicable and subject to state law.

10. No statement, questionnaire, or acknowledgement 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 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.

11. Sections 18.1 and 19.2 – 19.5 are deleted.

12. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

FRANCHISOR:

FRANCHISEE:

ICODE FRANCHISE, INC.

a Texas corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ICODE FRANCHISE, INC.
WISCONSIN AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT effective _____, (“**Amendment**”) is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (“**Franchise Agreement**”) between iCode Franchise, Inc., a Texas corporation (“**Franchisor**”) and _____ (“**Franchisee**”).

Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

1. The Wisconsin Department of Financial Institutions Sections 31.01 to 32.07 applies to most, if not all, Franchise Agreements and prohibits the Termination, Cancellation, Non-Renewal of substantial change of the competitive circumstances of a Franchise Agreement without good cause. The Law further provides that 90 days prior written notice of the proposed termination, etc. must be given to the Franchisee. The Franchisee has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. Section 23.1 of the Franchise Agreement (Choice of Law) is amended to state that the Wisconsin Department of Financial Institutions Sections 31.01 to 32.07 laws supersedes any provisions contained in the Franchise or License Agreement that are consistent with that law.

2. Each provision of this Amendment will be effective only to the extent that, with respect to the provision, the jurisdictional requirements of the Wisconsin Franchise Investment Law is met independently of this Amendment. Franchisor does not waive its right to challenge the enforceability of any state law and declares void or unenforceable any provision contained in this Agreement. Franchisor and Franchisee will enforce the provisions of this Agreement to the extent permitted by law.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Franchise Agreement simultaneously with the execution of the Franchise Agreement.

FRANCHISOR:

FRANCHISEE:

ICODE FRANCHISE, INC.
a Texas corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ATTACHMENT A

GLOSSARY OF ADDITIONAL TERMS

“**Affiliate**” means an affiliate of a named person identified as any person or entity that is controlled by, controlling or under common control with such named person.

“**Application Software**” means software designed to perform a certain function or task. Examples include learning management software, accounting software, and word processing software. Application Software may be downloadable or may be hosted by a third party and made available to you on a subscription basis.

“**Brand Technology**” means the management system and computer hardware and software and related technology, including Application Software, designated by Franchisor. Brand Technology may include high speed broadband connectivity, high speed broadband monitory, methods and means of encryption and access to Franchisor’s network resources, and other brand technology and peripheral devices that Franchisor specifies from time to time.

“**Business Entity**” means any person with the power to enter into contracts, other than a natural person. The term includes a corporation, limited liability company, limited partnership, and trust.

“**Competitive Business**” means any other business or venture that offers or provides STEAM-based educational courses or other services or products that are the same as or substantially similar to those sold at iCode School or iCode Reach businesses, other than an iCode School or iCode Reach operated pursuant to a then-currently effective Franchise Agreement with Franchisor.

“**Confidential Information**” “Confidential Information” includes Franchisor’s proprietary curricula, teaching aids, and all instructional materials provided to you under the Franchise Agreement; all customer information; financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of your operation under the terms of the Area Development Agreement or Franchise Agreement, and all other information that Franchisor designates as “Confidential Information.”

“**Controlling Interest**” means: (a) if you are a corporation or a limited liability company, that the Owners, either individually or cumulatively (i) directly or indirectly own at least 51% of the shares of each class of the developer entity’s issued and outstanding capital stock or membership units, as applicable; and (ii) are entitled, under its governing documents and under any agreements among the Owners, to cast a sufficient number of votes to require such entity to take or omit to take any action which such entity is required to take or omit to take under this Agreement; or (b) if you are a partnership, that the Owners (i) own at least 51% interest in the operating profits and operating losses of the partnership as well as at least 51% ownership interest in the partnership (and at least 51% interest in the shares of each class of capital stock of any corporate general partner); and (ii) are entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement. Any interest less than 51% of the corporation, limited liability company, or partnership is a “**Non-Controlling Interest**.”

“**Copyrighted Works**” means works of authorship which are owned by Franchisor and fixed in a tangible medium of expression including, without limitation, the content of the Manual, the design elements of the Marks, Franchisor’s product packaging and advertising and promotional materials, and the content and design of Franchisor’s Web site and advertising and promotional materials.

“**Director**” means the individual designated as your “Director.” The initial Director is identified on [Attachment F](#).

“Force Majeure” means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which you could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with you by any lender, landlord, or other person shall be an event of Force Majeure under this Agreement, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. Your financial inability to perform or your insolvency shall not be an event of Force Majeure under this Agreement.

“Gross Sales” means the total selling price of all services and products and all income of every other kind and nature related to the operation of the Franchised Business, include all revenue related to the sale of all iCode courses, enrollments, labs, events, promotions, services, and other items throughout the operation of the Franchised Business whether for cash or credit and regardless of collection in the case of credit. All sales are considered to have been made at the time the service is delivered to the consumer, regardless of timing or form of payment. Gross Sales does not include sales (or similar) taxes that you collect from your customers if you transmit them to the appropriate taxing authority.

“iCode School” means a physical building dedicated to the provision of STEAM-based educational courses using the Marks and System.

“Manual” means the compilation of information and knowledge that is necessary and material to the System. The term “Manual,” as used in this Agreement, includes all publications, materials, drawings, memoranda, videotapes, CDs, DVDs, MP3s, and other electronic media that Franchisor from time to time may loan to you. The Manual may be supplemented or amended from time to time by letter, electronic mail, bulletin, videotape, CD, DVD, MP3, or other communications concerning the System to reflect changes in the image, specifications, and standards relating to developing, equipping, furnishing, and operating an iCode Franchised Business.

“Operating Principal” means the individual designated as your “Operating Principal.” If the franchisee is an individual, the Operating Principal is the franchisee. If the franchisee is a corporation, limited liability company, partnership, or other entity, the Operating Principal must (i) own at least 51% of the ownership interest in you and (ii) be entitled, under your governing documents, under any agreements among your Owners, and under applicable law to act on your behalf and cause you take or omit to take any action which you are required to take or omit to take. The initial Operating Principal is identified on Attachment F.

“Owner” means each individual or entity holding a beneficial ownership in the developer entity. It includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a partnership, and the grantor and the trustee of the trust. If any “Owner” is, itself, a partnership or other entity, then the term “Owner” includes each individual or entity holding a beneficial ownership in the partnership or entity; the intent being that the term “Owner” is intended to include all individuals holding a beneficial interest in the franchisee, either directly or indirectly.

“Transfer” for purposes of this Agreement, “Transfer” as a verb means to sell, assign, give away, transfer, pledge, mortgage, or encumber either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings) any interest in this Agreement, the License, the business, substantially all the assets of the business, or in the ownership of the franchisee (if you are an Entity). “Transfer” as a noun means any such sale, assignment, gift, transfer, pledge, mortgage or encumbrance.

ATTACHMENT B

KEY TERMS

Section 1.1. The “Franchised Location” is at: _____

Section 1.2. The “Protected Area” is described as follows:

_____ as further identified by (color) shaded area of the map attached here to :

[ATTACH THE MAP OF PROTECTED AREA HERE]

Section 6.1. The “Site Selection Area” shall be the same area as the Protected Area defined above and in Section 1.2 of the Franchise Agreement.

Section 6.2. The “Opening Date” is: _____

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement to be effective on this ____ day of _____, 20__.

FRANCHISOR:

ICODE FRANCHISE, INC.

a Texas Corporation

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

ATTACHMENT C

UNLIMITED GUARANTY AND PERSONAL UNDERTAKING

THIS UNLIMITED GUARANTY AND PERSONAL UNDERTAKING (this “Guaranty”) is executed and delivered to Franchisor on this ____ day of _____, 20____, by each of the undersigned.

Each of the undersigned make the following representations and warranties to Franchisor, and agree to the following:

1. I have read the Franchise Agreement (“Franchise Agreement”) between iCode Franchise, Inc. (“Franchisor”) and _____ (the “Franchisee”) and am familiar with its terms.

2. I own a beneficial interest in the Franchisee and would be considered an owner of the Franchisee.

3. I understand that, were it not for this Guaranty, Franchisor would not have agreed to enter into the Franchise Agreement with the Franchisee.

4. I will comply with all of the provisions contained in the Franchise Agreement concerning the use of the Confidential Information. I will maintain the confidentiality of all Confidential Information disclosed to me. I agree to use the Confidential Information only for the purposes authorized under the Franchise Agreement. I further agree not to disclose any of the Confidential Information, except (a) to the Franchisee’s employees on a need-to-know basis, (b) to the Franchisee’s and my legal and tax professionals to the extent necessary for me to meet my legal obligations, and (c) as otherwise may be required by law.

5. I will comply with all of the provisions contained in Article 14 of the Franchise Agreement concerning the transfer of the franchise, assignment of my interests in the Franchisee, and Franchisor’s right of first refusal.

6. While I am an owner of the Franchisee and, for a two-year period after I cease to be an owner (or two years after termination or expiration of the Franchise Agreement, whichever occurs first), I will not:

6.1 divert or attempt to divert any present or prospective customer of the Franchised Business or any other business operating under the Marks, to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System;

6.2 oppose the issuance of building permits or zoning variants or other governmental approval required of another iCode School; or

6.2 own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business (as defined in the Franchise Agreement). This restriction shall apply, while I am an owner, to any Competitive Business that performs services in the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the iCode family of trademarks or similar marks. It will apply for two years after I cease to be an owner (or two years after termination or expiration of the Franchise Agreement, whichever occurs first) to any Competitive Business that performs services (a) at the former iCode School location or within a 25-mile radius of the former iCode School location (if the Franchise Agreement gives the Franchisee the right to operate an iCode School), (b) in the Franchisee’s Protected Area or within a 25-mile radius of the Protected Area (as defined in the Franchise Agreement) (if the Franchise Agreement gives the Franchisee the right to operate an iCode Reach), (c) within 25 miles of any other iCode School, (d) within the protected area of any iCode Reach. The parties acknowledge and agree that Franchisor shall have the right to reduce the scope or duration of this covenant in its sole discretion, and that Franchisee

shall comply with the covenant as modified. This two-year restriction will be tolled during any period of my noncompliance.

7. I agree that the provisions contained in Article 17 of the Franchise Agreement will apply to any dispute arising out of or relating to this Guaranty. If Franchisor brings any legal action to enforce its rights under this Guaranty, I will reimburse Franchisor its reasonable attorney fees and costs.

8. I hereby personally and unconditionally guarantee to Franchisor and its successors and assigns the punctual and full payment of all amounts owed by the Franchisee under the Franchise Agreement.

9. I understand and agree that Franchisor need not exhaust its remedies against the Franchisee before seeking recovery from me under this Guaranty.

10. No modification, change, impairment, or suspension of any of Franchisor's rights or remedies shall in any way affect any of my obligations under this Guaranty. If the Franchisee has pledged other security or if one or more other persons have personally guaranteed performance of the Franchisee's obligations, I agree that Franchisor's release of such security will neither affect my liability under this Guaranty or be asserted as a defense to enforcement of this Guaranty.

11. I hereby waive: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right I may have to require that an action be brought against Franchisee or any other person as a condition of my liability; and (e) any and all other notices and legal or equitable defenses to which I may be entitled.

12. My liability under this Guaranty shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time-to-time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

13. **I WAIVE MY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE FRANCHISE AGREEMENT AND/OR THE PERFORMANCE OF ANY PARTY UNDER THE FRANCHISE AGREEMENT.**

14. I understand that Franchisor's rights under this Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under applicable law.

15. I agree that any notices required to be delivered to me will be deemed delivered at the time delivered by hand; one business day after electronically confirmed transmission by facsimile or other electronic system; one business day after delivery by Express Mail or other recognized, reputable overnight courier; or three business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the address identified on the signature line below. I may change this address only by delivering to Franchisor written notice of the change.

16. If more than one person has personally guaranteed Franchisee's performance under the Franchise Agreement, my liability with such person shall be joint and several.

17. This Guaranty shall be binding on me and my heirs, executors, administrators, and assigns and shall inure to the benefit of Franchisor and its successors, endorsees, transferees and assigns. Without limiting any other provision hereof, I warrant and agree that my death shall not serve as a revocation of or otherwise affect the guaranty made hereunder and that my estate and heirs shall continue to be liable hereunder with respect to any obligations guaranteed hereunder.

18. The validity, interpretation and enforcement of this Guaranty and any dispute arising out of the relationship between Guarantor and Franchisor, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of Texas (without giving effect to principles of conflicts of law).

19. I irrevocably consent and submit to the personal jurisdiction of the federal and state courts serving the judicial district in which Franchisor's principal headquarters are located at the time legal action is commenced (currently Dallas County, Texas) and waive any objection based on personal jurisdiction, venue, or forum non convenience with respect to any action instituted therein arising under this Guaranty.

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

GUARANTOR

GUARANTOR

Individually (Printed Name)

Individually (Printed Name)

Individually (Signature)

Individually (Signature)

HOME ADDRESS (USE FOR NOTICES)

HOME ADDRESS (USE FOR NOTICES)

TELEPHONE NO.: _____

TELEPHONE NO.: _____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

ATTACHMENT D

SAMPLE LEASE RIDER

This Lease Rider is made and entered into this day of _____, 20__ by and between iCode Franchise, Inc., a Texas Corporation (hereinafter referred to as “Franchisor” _____ (“you”) and _____ (“Landlord”).

WHEREAS, you and iCode are parties to that certain Franchise Agreement dated 20__ (“Franchise Agreement”);

WHEREAS, you and Landlord desire to enter into a lease (the “Lease”) pursuant to which you will occupy the premises located at:

_____ (the “Premises”) for an iCode School (the “iCode School”) franchised under the Franchise Agreement; and

WHEREAS, as a condition to entering into the Lease, you are required under the Franchise Agreement to execute this Lease Rider along with the Landlord and Franchisor.

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein and in the Franchise Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. During the term of the Franchise Agreement, the Premises shall be used only for the operation of the iCode School.
2. Landlord consents to your use of such proprietary marks and signs, decor items, color schemes and related components of the Franchisor franchise system as Franchisor may prescribe for the iCode School.
3. Landlord agrees to furnish Franchisor with copies of any and all letters and notices sent to you pertaining to the Lease and the Premises, at the same time that such letters and notices are sent to you.
4. Franchisor shall have the right to enter the Premises to make any modification or alteration necessary to protect the iCode franchise system and proprietary marks or to cure any default under the Franchise Agreement or any Area Development Agreement entered into between Franchisor and you or under the Lease, without being guilty of trespass or any other crime or tort.
5. You shall be permitted to assign the Lease to Franchisor or its affiliates or subsidiaries upon the expiration or earlier termination of the Franchise Agreement and the Landlord hereby consents to such assignment and agrees not to impose or assess any assignment fee or similar charge or accelerate rent under the Lease in connection with such assignment.
6. In the event of such assignment, Franchisor or any affiliate or subsidiary designated by Franchisor will agree to assume from the date of assignment all your obligations remaining under the Lease, and in such event Franchisor or any affiliate or subsidiary shall assume your occupancy rights, and the right to sublease the Premises, for the remainder of the term of the Lease.
7. You and Landlord agree not to assign the Lease or renew or extend the term thereof without the prior written consent of Franchisor.
8. You and Landlord agree not to amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing requirements without the prior written consent of Franchisor.
9. The terms of this Lease Rider will supersede any conflicting terms of the Lease.

IN WITNESS WHEREOF, the parties have executed this Lease Rider as of the date first above written.

FRANCHISOR:

ICODE FRANCHISE, INC.
a Texas Corporation

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

LANDLORD:

By: _____
Name: _____
Title: _____

ATTACHMENT E

SAMPLE CONFIDENTIALITY AND NON-COMPETE AGREEMENT (for trained employees of Franchisee)

In accordance with the terms of this Confidentiality and Non-Competition Agreement (“**Confidentiality Agreement**”) and in consideration of my being a _____ of _____ (the “**Franchisee**”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. _____ doing business as _____ (the “**Franchisee**”), has acquired the right and franchise from iCode Franchise, Inc., a Texas corporation (“**Franchisor**”) to establish and operate a Franchised Business (the “**Franchised Business**”) and the right to use in the operation of the Franchised Business Franchisor’s trade names, trademarks, service marks, including the service mark ICODE (the “**Marks**”) and the system developed by Franchisor and/or its affiliates for operation and management of Franchised Businesses (the “**System**”), as they may be changed, improved, and further developed from time to time in Franchisor’s sole discretion.

2. Franchisor possesses certain proprietary and Confidential Information relating to the operation of the System. “**Confidential Information**” means the Franchisor’s proprietary curricula, teaching aids, and all instructional materials provided to the Franchisee or me; all customer information, financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to me, or of which I may be apprised, by virtue of my position with the Franchisee, and all other information that Franchisor designates as “Confidential Information.”

3. Any and all manuals, trade secrets, copyrighted materials, methods, information, knowledge, know-how, and techniques which Franchisor specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Confidentiality Agreement.

4. As _____ of the Franchisee, Franchisor and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, Franchisor’s operations manual (the “**Manual**”) and other general assistance during the term of this Confidentiality Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by Franchisor as confidential. Unless Franchisor otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by Franchisor, I shall not, while in my position with the Franchisee and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, and continuing for a two (2) year period thereafter, either directly or indirectly, for myself or through, on behalf of, or in conjunction with any other person, partnership, corporation, or other limited liability company own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any business that engages in

any business which is the same or similar to iCode School or iCode Reach programs within a 25-mile radius of any iCode School, as that term is defined in the Franchise Agreement, or within the protected area of any iCode Reach, as that term is defined in the Franchise Agreement. This restriction does not apply to my ownership of less than five percent beneficial interest in the outstanding securities of any publicly-held corporation.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Confidentiality Agreement. If all or any portion of a covenant in this Confidentiality Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Confidentiality Agreement.

9. I understand and acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Confidentiality Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.

10. Franchisor is a third-party beneficiary of this Confidentiality Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Confidentiality Agreement will cause Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or Franchisor may apply for the issuance of an injunction preventing me from violating this Confidentiality Agreement, and I agree to pay the Franchisee and Franchisor all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Confidentiality Agreement is enforced against me. Due to the importance of this Confidentiality Agreement to the Franchisee and Franchisor, any claim I have against the Franchisee or Franchisor is a separate matter and does not entitle me to violate or justify any violation of this Confidentiality Agreement.

11. This Confidentiality Agreement shall be construed under the laws of the State of Texas. The only way this Confidentiality Agreement can be changed is in writing signed by both the Franchisee and me.

12. With respect to all claims, controversies and disputes, I irrevocably consent to personal jurisdiction and submit myself to the jurisdiction of the state courts located in _____. I hereby irrevocably consent to the personal jurisdiction of the state and federal courts of _____ as set forth above. Notwithstanding the foregoing, I acknowledge and agree that Franchisor or the Franchisee may bring and maintain an action against me in any court of competent jurisdiction for injunctive or other extraordinary relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

THE PARTIES HERETO, INTENDING TO BE LEGALLY BOUND, HAVE EXECUTED THIS CONFIDENTIALITY AGREEMENT AS OF THE DATES NOTED BELOW.

[EMPLOYEE]

ACKNOWLEDGED BY FRANCHISEE

Signature: _____

By: _____

Name: _____

Name: _____

Address: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT F

ENTITY INFORMATION

If franchisee is an entity, you represent and warrant that the following information is accurate and complete in all material respects as of _____.

- (1) Franchisee is a _____, formed under the laws of the state of _____.
- (2) Upon execution of this Agreement, you shall provide to Franchisor true and accurate copies of the Franchisee’s formation and governing including the certificate of formation, bylaws, operating agreement, partnership agreement, etc., and any amendments.
- (3) You promptly shall provide such additional information as Franchisor may from time-to-time request concerning all persons who may have any direct or indirect financial interest in the franchisee entity.
- (4) The name and address of each of Owner:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

- (5) The designated Operating Principal is: _____.
- (6) The designated Director is: _____.

FRANCHISOR:

ICODE FRANCHISE, INC.
a Texas corporation

FRANCHISEE:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTACHMENT G

ACH AUTHORIZATION
AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Please complete and sign this form.

Franchisee Information

Franchisee Name or Legal Entity

Federal Taxpayer #

Store Number & Location

Name and Email of Person to Receive ACH Debit Advice

Authorization Agreement

I (we) hereby authorize iCode Franchise, Inc., Indigo Street, LLC, and iCode Technologies, LLC (each the "Company") to make ACH withdrawals from my (our) account at the financial institution named below. I also authorize the Company to initiate direct deposits into this account in the event that a debit entry is made in error. I (we) acknowledge that the origination of ACH transactions to or from my (our) account must comply with the provisions of U.S. law.

I agree to indemnify the Company for any loss arising in the event that any withdrawals from my (our) account shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

This agreement will remain in effect until the Company has received advanced written notice of cancellation from me (us) in such time and in such manner as to afford the Company a reasonable opportunity to act on it, and in no event shall such notice period be less than 30 days.

Payor/Franchisee Account Information

Name of Financial Institution:

ABA Routing Number:

Account Number:

Checking

checkbox

Savings

checkbox

Payor/Franchisee Signature

Authorized Signature (Primary):

Date:

Authorized Signature (Joint):

Date:

Account holder(s), please sign here: (Joint accounts require the signature of all persons having authority over the account)

Please attach a voided check at right, fax and mail to: iCode Franchise, Inc. & Indigo Street, LLC 4577 Ohio Drive Frisco, Texas 75035 Attn: Controller

ATTACH CHECK HERE

EXHIBIT E
ICODE FRANCHISE, INC.
FRANCHISE DISCLOSURE DOCUMENT
LIST OF CURRENT FRANCHISEES AND LIST OF FORMER FRANCHISEES

ICODE FRANCHISE, INC.

LIST OF FRANCHISEES AS OF DECEMBER 31, 2023

United States

State	Franchisee	Location	Phone
Arkansas	Santhosh Kumar Puthusseri, Prabu Nambiar	15400 Chenal Parkway Ste 150, Little Rock, AR 72211	(501) 242-5504
Arizona	Melissa (Misty) Ellis, Daniel (Dan) Ellis	1960 W Germann Rd Ste 2, Chandler, AZ 85286	(480) 222-8991
Arizona	Melissa (Misty) Ellis, Daniel (Dan) Ellis	3115 S Val Vista Dr #103, Gilbert, AZ 85295	(480) 222-8990
Arizona	Cruz Franco	9127 West Union Hills Drive Ste 301, Peoria, AZ 85382	(623) 250-5030
Arizona	William Patton	13910 E Frank Lloyd Wright Boulevard Ste 100, Scottsdale, AZ 85260	(480) 809-9429
California	Terence Tan	1765 East Bayshore Road Ste G, Palo Alto CA 94303	(650) 248-8639
Connecticut	Rick Wiese, Anna Wiese	1131 Tolland Turnpike Ste H, Manchester, CT 06042	(860) 512-8040
Florida	Giovanni Dagostino, Gilmi Cardozo	124 Weston Rd Ste 124, Sunrise, FL 33326	(954) 289-2440
Georgia	Arathi Krishnan, Krishnan Kannan	11875 Jones Bridge Road Ste H, Alpharetta, GA 30005	(229) 304-2885
Idaho	John Moore, Sanjay Dasam, Stephania Moore, Pavani Irri	4940 E Mill Station Drive Ste 103, Boise, ID 83716	(208) 537-7735
Indiana	Sandeep Dosanjh (MO)	12350 Olio Road Ste 200, Fishers, Indiana 46037	(317) 348-4917
Massachusetts	Ganesh Shastri, Soundarya Ganesh, Pavan Krishnamurthy	73 Central Street, Wellesley, MA 02482	(781) 291-3131
Michigan	Wissam Charafeddine	42484 Cherry Hill Road, Canton, MI 48187	(734) 366-1550
Michigan	Savithri Raman	48000 Grand River Avenue, Novi, MI 48374	(248) 956-0996
Michigan	Pratheep Sevanthinathan	12443 23 Mile Road, Shelby Township, MI 48315	(586) 209-4766
Michigan	Pratheep Sevanthinathan	2914 W Maple Road, Troy, MI 48084	(248) 385-3240
North Carolina	Corey Creech	8709-3 Arbor Creek Drive, Charlotte, NC 28269	(980) 281-2235
North Carolina	Mavis Boamah Mullen	3712 Lawndale Drive Ste C, Greensboro, NC 27455	(336) 790-1882
New Jersey	Kalash Keote, Sangeeta Gupta	1327 Prince Rodgers Avenue, Bridgewater Township, NJ 08807	(908) 300-3110
New Jersey	David Hintz	1026 Broad Steet Ste 5,	(732) 931-4263

		Shrewsbury, NJ 07702	
New York	Matt Towner	117 W Water Street, Painted Post, NY 14870	(607) 599-1599
Oklahoma	James (Jay) Peck, Robert Lewis	2217 NW 178th Ste B, Edmond, OK 73012	(405) 757-0500
Oklahoma	Elena Ionescu, Alex Ionescu	2751 36th Ave NW Ste 101 Norman, OK 73072	(405) 217-3337
Tennessee	Bhawna Gupta, Rakesh Gupta	9040 Carothers Parkway Ste A211, Franklin, TN 37067	(615) 465-4502
Tennessee	Amit Prabhakar	404 S Roan Street, Johnson City, TN 37601	(423) 900-2480
Texas	Caleb Cook, John Hurdt	25282 Northwest Fwy Ste 260, Cypress TX 77429	(832) 653-9010
Texas	Joe Stafford	14902 Preston Rd., Ste 411 Dallas, TX 75254	(214) 306-4341
Texas	Zhanqing (Jan) Li	14520 Memorial Dr Ste B, Houston, TX 77079	(832) 579-0708
Texas	Rupal Patel, Kavita Patel	9550 Spring Green Boulevard Ste 432, Katy, TX 77494	(281) 545-7838
Texas	Rodrigo Macazaga, Yosra Aboul Hosn, Bernardo Moreno	15609 Ronald Reagan Boulevard Ste B240, Leander, TX 78641	(512) 957-1015
Texas	Kushangi Parikh, Ashesh Parikh	5100 Eldorado Parkway Ste 108, McKinney, TX 75070	(469) 712-7500
Texas	Ning (Becky) Wang, Jeff Shen, Ye Wu	4899 Highway 6 Ste 113C, Missouri City, TX 77459	(281) 584-6618
Texas	Ting (Melissa) Peng	3414 Business Center Drive Ste 150, Pearland, TX 77584	(281) 688-2906
Texas	Heather Razak	7200 Independence Parkway Ste 210, Plano, TX 75025	(972) 665-3888
Texas	Ankita Swali	1207 N Loop 1604 W Ste 105, San Antonio, TX 78258	(210) 809-6393
Texas	Rupali Patel, Viren Patel	18384 I-35 N Ste 121, Schertz, TX 78154	(830) 302-4774
Texas	Saniya Kashif	2750 E Southlake Boulevard Ste 120, Southlake, TX 76092	(817) 527-5270
Texas	Ethan Moore, Gary Vickers, Jeremy Vickers, Brandon Oates	8810 US-84 Ste 402, Waco, TX 76712	(254) 236-9909
Texas	Hari Patel, Zeny Patel (MO), Cremi Patel	3400 FM 544 Ste 602, Wylie, TX 75098	(469) 833-9191
Virginia	Eric Schmidt, David Dilly	6045 Burke Centre Parkway Ste 202, Burke, VA 22015	(571) 295-5708
Virginia	Eric Schmidt, David Dilly	419A Maple Avenue E, Vienna, VA 22180	(571) 295-5708

Washington	Tamer Awad	1415 185th Place NE, Bellevue, WA 98008	(206) 984-2633
Washington	Sivagami Arunachalam	5031 168th Street SW Ste 110, Lynnwood, WA 98037	(425) 361-4125
Washington	Sivagami Arunachalam	22840 NE 8th Street Ste 103, Sammamish, WA 98074	(206) 741-1006

(International)

Franchisee	Location	Phone
Abhishek Jain	2nd Floor, 84, Veer Nariman Road, Churchgate, Mumbai, Maharashtra 400020, India	<u>+91 72920 09661</u>

LIST OF FRANCHISEES WITH SIGNED FRANCHISE AGREEMENT, BUT OUTLET NOT OPEN AS OF DECEMBER 31, 2023

State	Franchisee	Location	Phone
AZ	Daniel and Melissa Ellis	Gilbert, AZ	(480) 222-8991
CA	Terence Tan	Cupertino, CA	(971)500-0749
CA	Terence Tan	Millbrae, CA	(971)500-0749
CA	Terence Tan	Milpitas, CA	(971)500-0749
CA	Terance Tan	Fremont, CA	(971)500-0749
CA	Terence Tan	San Jose South, CA	(971)500-0749
CO	Cody Marcel	Denver, Colorado, 80246	(720) 763-0123
FL	Stephan Kowski	West Chase, FL	(727)342-0777
IL	Savithri Raman	Naperville, IL	(248) 979-8900
MA	Ganesh Shastri	Cambridge, MA	(781) 291-3131
MD	Harry Patel, Harsh Patel	Laurel, MD	(240) 278-1930
MD	Harry Patel, Harsh Patel	Laurel, MD	(240) 278-1930
MD	Harry Patel, Harsh Patel	Laurel, MD	(240) 278-1930
MD	Harry Patel, Harsh Patel	Laurel, MD	(240) 278-1930
MD	Harry Patel, Harsh Patel	Laurel, MD	(240) 278-1930
MD	Harry Patel, Harsh Patel	Laurel, MD	(240) 278-1930
NC	Robert Scott	South Charlotte, NC	(843) 817-3830
NC	Robert Scott	Matthews, NC	(843) 817-3830
OH	Doug Wurtzbacher	Dayton, OH	(937)825-9904
OK	James Peck, Robert Lewis	Jenks, OK	(405)757-0500
SC	Robert Scott	Charleston, SC	(843) 817-3830
TX	Joe Stafford	Dallas, TX	(949) 300-1368
TX	Phillip Mantecon	Frisco, TX	(214) 534-4796
TX	Srinivas Vishnubhotla	Prosper, TX	(469) 585-8331
WA	Paul Hedges	Olympia, WA	(360) 984-9432

(International)

Franchisee	Location	Phone
Sanjay Subron	C/O Cybdata Ltd, VIVEA Business Park, Moka, Republic of Mauritius	+230-5810-0220

LIST OF FRANCHISEES WHO LEFT THE SYSTEM AS OF DECEMBER 31, 2023

Franchisee	Location	Status	Phone
Aaron Mitchell	Oahu, HI	Campus never opened	708-954-0677
Dharmeshkumar Patel	Alpharetta, GA	Campus never opened	678.523.6789
Craig/Melanie Youngblood	Fishhawk, FL	Campus never opened	813-707-3657
Eftychios Felix Matathias	Pittsburgh, PA	Campus never opened	631-988-3694
Rupesh Lunia/Sameer Marwa	Lynnwood	Transferred location	626-807-6039
Hetal/Adiya Mehta	Wylie, TX	Transferred location	214-215-4255

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

EXHIBIT F
ICODE FRANCHISE, INC.
FRANCHISE DISCLOSURE DOCUMENT
LIST OF STATE ADMINISTRATORS

California

Commissioner of Financial Protection & Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(866) 275-2677

Hawaii

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois

Office of Attorney General
500 S. Second Street
Springfield, Illinois 62701
(217) 782-4465

Indiana

Franchise Section
Securities Division
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland

Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-7042

Michigan

Consumer Protection Division
Antitrust and Franchise Unit
Department of Attorney General
525 W. Ottawa St.
G. Mennen Williams Bldg., 1st Floor
Lansing, Michigan 48913
(517) 373-7117

Minnesota

Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1500

New York

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8222

North Dakota

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

Rhode Island

Securities Division
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 68-2
Cranston, Rhode Island 02920
(401) 462-9527

South Dakota

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
1300 Main Street, 14th Floor
Richmond, Virginia 23218
(804) 371-9051

Washington

Administrator
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507
(360) 902-8760

Wisconsin

Franchise Administrator
Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703

EXHIBIT G
ICODE FRANCHISE, INC.
FRANCHISE DISCLOSURE DOCUMENT

GENERAL RELEASE
(SAMPLE FORM ONLY)

GENERAL RELEASE

The undersigned (“**Releasor**”) and my heirs, administrators, executors, ancestors, and assigns, (collectively “**Releasor Agent(s)**”), for good and valuable consideration, the receipt of which is hereby acknowledged, hereby remise, release, and forever discharge iCode Franchise, Inc., a Texas corporation (“**Franchisor**”), with its principal business offices located at 4577 Ohio Drive, Frisco, Texas 75035 and its affiliates, and their respective owners, officers, directors, regional directors, managers, shareholders, members, employees, agents, successors and assigns, (collectively, the “**Franchisor Released Parties**”) from any and all claims, whether at law or in equity, and all contracts, controversies, claims, and demands whatsoever, at law or in equity, that Releasor and/or any Releasor Agent ever had, now have, or that any of their respective heirs, administrators, ancestors, executors, and/or assigns may have against the Franchisor Released Parties including, without limitation, (i) any and all claims arising out of or related to that certain Franchise Agreement between Franchisor and _____ dated _____, _____, (ii) the offer and sale of the iCode franchise opportunity, (iii) any and all claims arising under federal, state, and local laws, rules, and ordinances.

I acknowledge that this general release extends to claims which I do not know or suspect to exist in my favor at the time of executing this Release Agreement, which if were known to me may have materially affected my decision to enter into this Release Agreement. I understand that the facts in respect of which this Release Agreement is given may hereafter turn out to be other than or different from the facts in that connection known or believed to be true. I expressly assume the risk of the facts turning out to be so different and agree that this Release Agreement shall be in all respects effective and not subject to termination or rescission by any such difference in facts.

This General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Release Agreement as of the date set forth below.

Signature: _____

Name: _____

Date: _____

[This Release Agreement will be modified as necessary for consistency with any state law regulating franchising.]

EXHIBIT H
ICODE FRANCHISE, INC.
FRANCHISE DISCLOSURE DOCUMENT
AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

STATE	AGENT
Illinois	Office of Attorney General 500 S. Second Street Springfield, Illinois 62706
Indiana	Indiana Secretary of State Securities Division 302 W. Washington Street, Room E-111 Indianapolis, Indiana 46204
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021
Michigan	Michigan Department of Labor & Economic Growth Commercial Services & Corporations Bureau 611 West Ottawa Street Lansing, Michigan 48909
Minnesota	Minnesota Department of Commerce 85 7 th Place East Suite 280 Saint Paul, Minnesota 55101
New York	Secretary of State 99 Washington Avenue Albany, New York 12231
Texas	Abid Abedi 4577 Ohio Drive Frisco, Texas 75035
Virginia	Clerk, State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 14th Floor Richmond, Virginia 23219
Washington	Director, Department of Financial Institutions Securities Division 150 Israel Road, S.W. Tumwater, Washington 98501
Wisconsin	Administrator, Division of Securities Department of Financial Institutions 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703

EXHIBIT I
ICODE FRANCHISE, INC.
FRANCHISE DISCLOSURE DOCUMENT
STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	September 20, 2023
Minnesota	Pending
New York	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

EXHIBIT J
ICODE FRANCHISE, INC.
FRANCHISE DISCLOSURE DOCUMENT
RECEIPTS

RECEIPT

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

If iCode Franchise, Inc. offers you a franchise, it must provide you this disclosure document 14 calendar days before you sign a binding agreement with, or make a payment to, franchisor or an affiliate in connection with the proposed franchise sale or sooner if required by your state applicable law. Applicable state laws in Michigan require us to provide you the disclosure document at least 10 business 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 us to provide the disclosure document at the earlier of the first personal meeting or 10 business 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.

If iCode Franchise, Inc. 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. Our agents for service of process are listed in Exhibit G.

Issuance Date: April 26, 2024, as amended June 5, 2024

The name, business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Abid Abedi	4577 Ohio Drive, Frisco, TX 75035	469-305-0592

I received a disclosure document dated April 26, 2024 as amended June 5, 2024. This disclosure document included the following Exhibits and Attachments:

- Exhibit A Financial Statements
- Exhibit B Table of Contents of Manual
- Exhibit C Area Development Agreement
- Exhibit D Franchise Agreement
- Exhibit E List of Current Franchisees and List of Former Franchisees
- Exhibit F List of State Administrators
- Exhibit G General Release (Sample Form)
- Exhibit H Agents for Service of Process
- Exhibit I State Effective Dates
- Exhibit J Receipts

Dated: _____

Printed Name, Individually

Printed Name, Officer

of _____

(a _____ Corporation)

(a _____ Partnership)

(a _____ Limited Liability Company)

**[Sign, date, and return to iCode Franchise, Inc,
4577 Ohio Drive, Frisco, Texas 75035 or info@icodefranchise.com]**

RECEIPT

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

If iCode Franchise, Inc. offers you a franchise, it must provide you this disclosure document 14 calendar days before you sign a binding agreement with, or make a payment to, franchisor or an affiliate in connection with the proposed franchise sale or sooner if required by your state applicable law. Applicable state laws in Michigan require us to provide you the disclosure document at least 10 business 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 us to provide the disclosure document at the earlier of the first personal meeting or 10 business 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.

If iCode Franchise, Inc. 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. Our agents for service of process are listed in Exhibit G.

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- Exhibit G General Release (Sample Form)
- Exhibit H Agents for Service of Process
- Exhibit I State Effective Dates
- Exhibit J Receipts

Dated: _____

Printed Name, Individually

Printed Name, Officer

of _____

(a _____ Corporation)

(a _____ Partnership)

(a _____ Limited Liability Company)

[Sign, date, and keep this page for your records.]