FRANCHISE DISCLOSURE DOCUMENT

Goddard Franchisor LLC
A Delaware Limited Liability Company
1016 West Ninth Avenue
King of Prussia, PA 19406-3107
(800) 272-4901
sales@goddardsystems.com
www.goddardschools.com
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https://www.facebook.com/Goddardsystemsinc
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https://www.linkedin.com/company/goddard-systems-inc-/

As a **The Goddard School®** franchisee, you will operate a school offering primarily preschool learning programs and care for children between 6 weeks and 10 years old under the name **The Goddard School®**.

If you lease the school facility and the landlord constructs the improvements, the total investment necessary to begin operation of **The Goddard School®** franchise is from $902,500 to $1,309,000 for a school and from $703,750 to $1,083,250 for an associated satellite school. This includes $263,500 to $295,000 that must be paid to the franchisor or affiliate for a school and $64,750 to $69,250 for an associated satellite school. If you purchase the land and build the school facility, the total investment necessary to begin operation of **The Goddard School®** franchise is from $5,182,500 to $8,514,000 for a school and from $4,983,750 to $8,288,250 for an associated satellite school. This includes $263,500 to $95,000 that must be paid to the franchisor or affiliate for a school and $64,750 to $69,250 for an associated satellite school. We and you may choose to sign a Development Agreement under which you will develop a certain number of **The Goddard School®** franchises. We expect the Development Agreement to cover between 2 and 5 **The Goddard School®** franchises. The total investment necessary to begin operation under a Development Agreement is $130,000 to $400,000. This includes $120,000 to $300,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Franchise Sales at 1016 West Ninth Avenue, King of Prussia, PA 19406-3107, (800) 272-4901, sales@goddardsystems.com.

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

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

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

Issuance Date: April 29, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit B-1 or Exhibit B-2.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only The Goddard School® business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a The Goddard School® franchisee?	Item 20 or Exhibit B-1 or Exhibit B-2 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 development agreement require you to resolve disputes with the franchisor by litigation only in Pennsylvania. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Pennsylvania than in your own state.

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

a. A prohibition on the right of a franchisee to join an association of franchisees.

b. A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

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

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

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

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

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

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

(1) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(2) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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
Attn: Franchise Section
670 G. Mennen Williams Building
525 W. Ottawa Street
Lansing, Michigan 48933
Telephone Number: (517) 335-7567

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<u>Exhibits</u>

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN **EXHIBIT H**.

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is Goddard Franchisor LLC. For ease of reference, Goddard Franchisor LLC will be referred to as "**we**", "**us**" or "**GFL**" in this disclosure document. We will refer to the person who buys the franchise as "**you**" throughout the disclosure document. We will only enter into a franchise agreement with an individual, and not a partnership, corporation or limited liability company. However, we will allow you to assign the franchise agreement to an entity if you comply with the transfer provisions of the franchise agreement, including that you guarantee the obligations of the entity and agree to remain liable under the applicable provisions the franchise agreement. "You" in this disclosure document will generally refer to both the individual(s) and the entity.

Franchisor, Parent, Predecessor, and Affiliates

We are a Delaware limited liability company formed on July 7, 2022. Our principal business address is 1016 West Ninth Avenue, King of Prussia, Pennsylvania 19406-3107. We do business under our entity name "Goddard Franchisor LLC." We began offering franchises for the operation of schools known as The Goddard School® ("**School**" or "**Schools**") as of the issuance date of this disclosure document. We have never operated businesses of the type being offered under this disclosure document or offered franchises in any other line of business. We have no other business activities except those described in this disclosure document.

Our immediate predecessor and indirect parent company is Goddard Systems, LLC ("**Goddard Manager**"). Goddard Manager was originally incorporated in January 2002 as a Pennsylvania corporation and was converted to a Pennsylvania limited liability company in June 2022. Goddard Manager's principal business address is 1016 West Ninth Avenue, King of Prussia, Pennsylvania 19406-3107. Goddard Manager offered School franchises from March 2002 to August 19, 2022. Goddard Manager has never offered franchises in any other line of business. Except as otherwise described in the disclosure document, Goddard Manager has not engaged in any other business activities. Goddard Manager has not operated businesses of the type being offered under the disclosure document. Goddard Manager provides support and services to our franchisees under a management agreement described below.

Our direct parent company is Goddard Funding LLC ("**Goddard Funding**"), a Delaware limited liability company. Goddard Funding is a direct wholly-owned subsidiary of Goddard Holding Guarantor LLC ("**Goddard Guarantor**"), a Delaware limited liability company. Goddard Guarantor is a direct wholly-owned subsidiary of Goddard Manager. The principal business address of each of Goddard Funding and Goddard Guarantor is 1016 West Ninth Avenue, King of Prussia, Pennsylvania 19406-3107. Goddard Manager's direct parent is SP Goddard Buyer LLC, a Delaware limited liability company, with a principal business address at 9 West 57th Street, 31st Floor, New York, New York 10019. On June 30, 2022, SP Goddard Buyer LLC acquired 100% of the membership interests of Goddard Manager and TGS Marketing Fund, LLC. SP Goddard Buyer LLC was formed in May 2022 and is controlled by investment funds managed by Sycamore Partners Management, L.P. ("**Sycamore**"). Sycamore has a principal business address at 9 West 57th Street, 31st Floor, New York, New York 10019. Neither Goddard Funding nor Goddard Guarantor has ever conducted a business of the type being offered by this disclosure document nor have they ever offered franchises of the type being offered by this disclosure document or in any line of business. Neither SP Goddard Buyer LLC nor Sycamore nor any of the managed investment funds have ever conducted a business of the type being offered by this disclosure document; nor have they, or any of their affiliated portfolio companies, ever offered franchises of the type being offered by this disclosure document or in any other line of business.

TGS Marketing Fund, LLC, a Pennsylvania limited liability company formed in December 2020, is our affiliate. TGS Marketing Fund, LLC's principal business address is 1016 West Ninth Avenue, King of Prussia, Pennsylvania 19406-3107, and its sole business is to administer marketing and promotional programs for The Goddard School franchise system. TGS Marketing Fund, LLC began operations in 2021. TGS Marketing Fund, LLC has never conducted a business of the type being offered under this disclosure document and has never offered franchises of the type being offered by this disclosure document or in any other line of business.

Goddard Real Estate Development Company, LLC, a Delaware limited liability company formed in March 2024, is our affiliate. Goddard Real Estate Development Company, LLC's principal business address is 1016 West Ninth Avenue, King of Prussia, Pennsylvania 19406-3107, and its sole business is to identify and secure real estate for the purpose of buying, selling, and/or leasing such real estate to third parties and/or our franchisees. Goddard Real Estate Development Company, LLC has never conducted a business of the type being offered under this disclosure document and has never offered franchises of the type being offered by this disclosure document or in any other line of business.

Agent for Service of Process

If we have an agent for service of process in your state, we disclose that agent in **Exhibit F**.

The Securitization Transaction

As a result of a secured financing transaction which closed in August 2022 (the "**Securitization Transaction**"), Goddard Manager and its affiliates were restructured. As part of the restructuring, all Preliminary Agreements and Franchise Agreements (and all ancillary agreements) were transferred to us. As a result, we became the franchisor of the Goddard School system. Ownership and control of all U.S. trademarks and certain intellectual property relating to the operation of Schools were also transferred to us.

We became a party to a management agreement with Goddard Manager for Goddard Manager, the former franchisor of the Goddard School franchise system, to provide the required support and services to School applicants and franchisees under their Preliminary Agreements and Franchise Agreements with us. Goddard Manager also acts as our franchise sales agent. However, as the franchisor, we will be responsible and accountable to you to make sure that all services we promise to perform under the Preliminary Agreement, Franchise Agreement or other agreement you may sign with us are performed in compliance with the applicable agreement, regardless of who performs these services on our behalf.

The Business We Offer and Prior Experience

The Goddard School system was founded in 1983. The first School was opened in Malvern, Pennsylvania. Franchises were offered starting in 1988. Goddard Manager acquired the rights to the franchise system in March 2002. The Goddard School uses current, academically endorsed methods to ensure that children have fun while learning the skills they need for long-term success in school and in life.

The Goddard School franchise we offer is for the operation of a School under our form of franchise agreement (the "**Franchise Agreement**"), attached as **Exhibit C-2**, or if you are renewing your Franchise Agreement under our form of Franchise Agreement (Renewal), attached as **Exhibit C-10**. References to the Franchise Agreement in this disclosure document include references to the Franchise Agreement (Renewal) unless specifically stated. The School will conduct business under the mark "The Goddard School" and any other trademarks, trade names, service marks and related logos as may be developed and authorized for Schools (the "**Proprietary Marks**") and certain systems relating to the establishment, development and operation of a School (the "**System**"). The School will offer primarily preschool programs and care for children between 6 weeks and 10 years of age. The programs offered to a child will vary depending upon the age, skills and development of the child. The Franchise Agreement described is the one we currently offer. The various forms of agreement we and Goddard Manager have used in the past may have terms and conditions different from the current form. We also reserve the right to change the form and terms of the agreement used in the future. Because we rely on your qualifications and require that you be present and personally involved in the operation of the School (see Item 15), we currently require your Designated On-Site Operator to be a United States citizen or have permanent legal resident status to ensure that at least one individual is capable of being present and personally involved in the operation of the School for the duration of the Franchise Agreement's term. In addition, if your Designated On-Site Operator is an employee (and not a party to the Franchise Agreement), at least one indiviudal who is a party to the Franchise Agreement must also be a United States citizen or have permanent legal resident status. However, we may waive this requirement in exceptional circumstances. We obtain a background check (including credit and criminal) on you and you must pay us a fee to obtain background checks on you.

The typical new School will be approximately 10,500 square feet to 12,500 square feet and will accommodate approximately 148 children or more for a 10,500 square foot School and approximately 168 children or less for a 12,500 square foot building, depending on the regulations in the particular state. Each state or local jurisdiction will make the final determination of a School's license/enrollment capacity. In certain special situations, we may approve a larger building. The School will ordinarily be open from 7 a.m. to 6 p.m. five days a week. The School must obtain a license to operate under applicable state law. In addition, the School must be operated by the Designated On-Site Operator (as defined in Item 15 below), one full-time director, one-full-time director dedicated solely to any Satellite Location (defined below), any additional full-time directors we may deem appropriate in our sole business judgment and sufficient trained staff to satisfy state childcare licensing requirements. We require that the full-time director(s) be someone other than a franchisee. We discourage franchisees from hiring a family member as the director. The number of teachers depends on enrollment and on the regulations in the particular state and typically ranges from 10 to 30 teachers.

We may allow franchisees to operate an annex ("**Annex**") to a School, whether attached or free-standing, in connection with the original construction or later as an expansion of the School, with our prior written approval, which we may grant or withhold in our sole business judgment. The size of an Annex can vary greatly. An Annex must meet our then current criteria for the proximity of the Annex to the School. We currently require that an Annex be on the same parcel as a suburban School or on the same block as a metropolitan School. We will determine the classification of a location as suburban, metropolitan and further subclassifications in our sole business judgment based upon mapping software we select. An Annex is considered to form a part of the associated School and will be subject to the terms of the Franchise Agreement regarding the development and operation of the School. An Annex will be integrated with the operation of the associated School to add facilities and may not operate as a stand-alone School. A School may have only one associated Annex (or one associated Satellite Location defined below) unless we grant written approval in our sole business judgment. No separate Franchise Agreement will be signed for an Annex. You and we will enter into an amendment to the Franchise Agreement for any Annex we approve to identify the Annex and confirm that the Annex will be governed under the Franchise Agreement (and not under a separate franchise agreement), except for certain provisions that do not apply to an Annex and for certain other provisions that will be added by the amendment that will apply only to the Annex. The form of amendment adding each approved Annex to the Franchise Agreement will be substantially in the form of our Amendment to Franchise Agreement (Annex) attached as **Exhibit C-7** ("**Annex Amendment**"). Before you open the Annex, you must obtain our approval of your proposed programming, equipment and the age ranges you will serve. You may not change your programming or the age ranges you serve without our prior written consent. We alone will determine whether the Annex premises qualify as an Annex to an associated School according to our policies.

We may allow franchisees to operate a satellite location ("**Satellite Location**"), with our prior written approval, which we may grant or withhold in our sole business judgment. A School may have only one associated Satellite Location (or one associated Annex) unless we grant written approval in our sole business judgment. A Satellite Location must meet our then current criteria for the proximity of the Satellite Location to the associated School. We currently require that a Satellite Location will not be located on the same parcel as a suburban School or on the same block as a metropolitan School, but it must be within a certain distance we specify from the associated School. A Satellite Location must also have a limitation on programming restricting it from serving all age ranges typically served by a School except with our specific written approval which we are not obligated to provide. There are no size limitations on a Satellite Location. Typically, any Satellite Location will be developed during the operation of the associated School. You and we will enter into an amendment to the Franchise Agreement for any Satellite Location we approve to identify the Satellite Location and confirm that the Satellite Location will be governed under the Franchise Agreement (and not under a separate franchise agreement), except for certain provisions that do not apply to a Satellite Location and for certain other provisions that will be added by the amendment that will apply only to the Satellite Location. The form of amendment adding an approved Satellite Location to the Franchise Agreement will be substantially in the form of our Amendment to Franchise Agreement (Satellite Location) attached as **Exhibit C-8** ("**Satellite Location Amendment**"). Before you open the Satellite Location, you must obtain our approval of your proposed programming, equipment and the age ranges you will serve. You may not change your programming or the age ranges you serve without our prior written consent. We alone will determine whether the Satellite Location premises qualify as a Satellite Location to an associated School according to our policies.

We may instead of allowing you to add an Annex or Satellite Location by amendment to your existing Franchise Agreement, in our sole business judgment, require that you update your form of Franchise Agreement and enter into our then-current form of the Franchise Agreement (or the then-current form of the Franchise Agreement (Renewal) attached as **Exhibit C-10**)) for the remaining term of your Franchise Agreement, together with the applicable Annex Amendment or Satellite Location Amendment. Because the Satellite Location is considered an additional location under the Franchise Agreement, there is no opportunity for separate ownership in the Satellite Location versus the associated School.

If the location of the Annex or Satellite Location is not identified at the time we and you enter into the Annex Amendment or the Satellite Location Amendment, the location will be selected and approved under the terms of the applicable Franchise Agreement and the applicable Annex Amendment or Satellite Location Amendment. The approved location will then be designated by an amendment to the applicable Annex Amendment or Satellite Location Amendment. You may not relocate any Annex or Satellite Location except with our prior written consent.

We and you may provide in the Annex Amendment or the Satellite Location Amendment that the term of operation of any Annex or Satellite Location may be for less than the full remaining term of your Franchise Agreement as long as you operate the associated School at all times during the full term of the Franchise Agreement. If we and you agree to limit the term of operation of any Annex or Satellite Location, you will enter into a lease or other occupancy agreement for the Annex or Satellite Location for the reduced term. Your right to operate any Annex or Satellite Location will terminate or expire when the Franchise Agreement terminates or expires (or earlier if provided in the Annex Amendment or Satellite Location Amendment). We typically do not require that you enter into a Preliminary Agreement for the development of an Annex or a Satellite Location. Subject to the requirements for renewal in the Franchise Agreement, your right to operate an Annex or a Satellite Location will renew in connection with the renewal of the Franchise Agreement for the associated School. You will also sign the Annex Amendment or Satellite Location Amendment in connection with the Franchise Agreement (Renewal) attached as **Exhibit C-10** for the renewal of the Franchise Agreement for the associated School.

In this disclosure document and in the Franchise Agreement, except where distinctions are specifically noted or the context may require, references to a "School" include the School you develop at the initial location stated in the Franchise Agreement, and if applicable, an Annex or Satellite Location together with the associated School.

In most instances, but not for an Annex or Satellite Location, we will enter into a preliminary agreement with you individually (and your spouse) for a franchise (the "**Preliminary Agreement**") under which you will have the right to secure a site for the operation of a School in exchange for your payment of an initial deposit of $30,000. You will then sign and return the Franchise Agreement before we provide you with access to our initial training program. The Franchise Agreement you will sign will be our then-current form of Franchise Agreement, except that the terms of Section 4A, relating to initial and other fees, will remain the same as those stated in the form of Franchise Agreement in effect when you sign the Preliminary Agreement. The form of Preliminary Agreement you must sign is attached as **Exhibit C-1**. The Preliminary Agreement will typically not refer to any proposed Annex or Satellite Location, the initial deposit will not pertain to any Annex or Satellite Location, and you typically will not enter into a Preliminary Agreement for the addition of any Annex or Satellite Location to the Franchise Agreement. The initial deposit of $30,000 is non-refundable except we may elect in our sole business judgment to refund all or some portion of the initial deposit if we terminate the Preliminary Agreement and you met your obligations under the Preliminary Agreement including closely adhering to our processes for site development, and you satisfy our conditions, as described in Item 5. If you purchase the assets of an existing Goddard School franchise and do not wish to proceed under the Preliminary Agreement, we may, within our sole business judgment, apply the initial deposit towards fees you owe to us in connection with the transfer, provided you meet all of our requirements, including making all payments in connection with the purchase of the assets of the existing franchisee.

We or an affiliate may offer for sale or lease a company-owned or affiliate-owned School or a School under construction or in the pre-construction phase as a franchise. The purchase price or rental for the School will vary depending upon a number of factors, including pre-opening hiring and marketing activities, whether the unit is under construction, the amount of construction already performed or the length of time the unit has been open and operating. You may not negotiate the lease agreement terms if you purchase one of these Schools.

If you lease the School premises, including any Annex or Satellite Location, you must sign the collateral assignment of lease and the landlord must sign the consent and agreement of lessor in the form we require. (Section 6A of the Franchise Agreement). A copy of our current Collateral Assignment of Lease and Consent and Agreement of Lessor are attached as **Exhibit C-11** to this disclosure document. If you or an entity you control own the School premises, including if you or the entity purchase the land and build the facility for the School or acquire the School premises, including any Annex or Satellite Location, during the term of the Franchise Agreement, you (or your affiliated entity) must sign an option to lease agreement and right of first refusal in the form we require. (Section 6A of the Franchise Agreement). A copy of our current Option to Lease Agreement and Right of First Refusal is attached as **Exhibit C-12** to this disclosure document.

We and you may sign the Development Agreement attached as **Exhibit C-3** (the "**Development Agreement**") under which you will sign franchise agreements for and develop a specified number of Schools to be located within a specifically described geographic territory (the "**Development Area**"). Before you sign the Development Agreement, we and you will agree to the Development Area, the number of Schools you must open in the Development Area, and the timeframe within which you must open each School (the "**Development Schedule**"). You will sign our then current form of franchise agreement, which may differ from the Franchise Agreement included in this disclosure document, for each School developed under the Development Agreement. However, for each franchise agreement that the Development Agreement covers, the initial license fee and royalty fee will not exceed the amounts under the Franchise Agreement included in this disclosure document.

As of December 31, 2023, Goddard Manager did not own or operate any Schools. We have never owned or operated any Schools and we presently do not intend to open and operate any Schools. We may, under certain circumstances, operate an existing School on a temporary basis. As of December 31, 2023, none of our affiliates owned or operated any Schools.

The Market and Competition

The services provided by a School are used primarily by families where the parents work outside of the home. You will have to compete with other businesses performing similar services, including local, independently owned daycare centers or similar operations and other regional and national chains offering similar facilities or programs to children. We believe that our franchisees will be able to compete with other businesses providing these services as a result of the System, the marketing and promotional programs used to promote the School and the training we provide to you. However, an investment in a School, like any other business, involves business risks and the success of the franchise will be primarily dependent on your business abilities and your efforts. We do not warrant, represent or guarantee that any specific location will be successful or that you will achieve any specific sales or profit level or break even.

Applicable Laws and Regulations

Each state has laws and/or regulations which are specific to the childcare industry and to education. These laws and/or regulations may include licensing requirements; "star" ratings or a point system to designate the quality of the facility; specified minimum indoor and outdoor physical facilities and equipment; personnel screening obligations involving background checks and criminal records checks; personnel credentials, age restrictions and training requirements; obligations to report evidence of child abuse and neglect; food service requirements; requirements that structures provide shade; a prohibition on advertising before the operator is licensed or the business opens; and record keeping. You must investigate, keep informed of and comply with these laws as well as other federal, state and local laws regulating childcare and education in the operation and construction of your School. Each jurisdiction also will make the final determination of a School's license/enrollment capacity.

In addition, you should be aware that there are other general laws and regulations that apply to your School's operation and construction, and you should also make further inquiries to find out about these laws and regulations as part of your decision-making process. The laws and regulations may change from year to year. They include the Americans with Disabilities Act and other federal and state laws relating to employees and customers with disabilities; the Fair Labor Standards Act, the Occupational Safety and Health Act and other federal and state laws governing minimum wage, overtime, working conditions and other employment-related subjects; Title VII of the Civil Rights Act, the Equal Employment Opportunity Act and other federal and state laws relating to discrimination and harassment; laws governing various other matters, such as customer and employee privacy; access to or deletion of personal information; cyber security, data security, data privacy and security breaches; laws applicable to health, sanitation, smoking, safety, fire and other matters; tax laws; environmental laws; and laws relating to citizenship or immigration status. If you accept payment by credit or debit card, you must comply with the Payment Card Industry Data Security Standard ("**PCI**") established by the major credit card brands to ensure that merchants securely store, process, and transmit customer credit card information.

Item 2

BUSINESS EXPERIENCE

President and Chief Executive Officer: Dennis R. Maple

Mr. Maple has been our President and Chief Executive Officer since August 19, 2022. He has also been President and Chief Executive Officer of Goddard Manager since September 2019 and Chairman of the Board and a Director or Manager of Goddard Manager since April 2020. He served as President of First Student, Inc. in Cincinnati, Ohio from January 2014 to August 2019.

Chief Financial Officer, Treasurer and Secretary: Timothy J. Dwyer

Mr. Dwyer has been our Chief Financial Officer, Treasurer and Secretary since August 19, 2022. Mr. Dwyer has also been Senior Vice President, Chief Financial Officer, Secretary and Treasurer of Goddard Manager since January 2021 and a Director or Manager and Vice President of Goddard Manager since April 2018. Mr. Dwyer served as Chief Financial Officer of Wind River Holdings, L.P., in King of Prussia, Pennsylvania from May 2001 to December 2020.

Chief Legal Officer: Cynthia Turner

Ms. Turner has been our Chief Legal Officer since August 19, 2022. Ms. Turner has been Senior Vice President, Chief Legal Officer of Goddard Manager since February 2020. She served as Corporate Counsel of Goddard Manager from January 2018 to January 2020.

Senior Vice President, Chief Academic Officer of Goddard Manager: Dr. Lauren Loquasto

Dr. Loquasto has been Chief Academic Officer of Goddard Manager since April 2022. She served as the Vice President of Education for Primrose Schools Franchising Company in Atlanta, Georgia from February 2018 until April 2022.

Senior Vice President, Chief School Support Services Officer of Goddard Manager: Jacqueline Burls

Ms. Burls has been Senior Vice President, Chief School Support Services Officer of Goddard Manager since November 2020. Prior to joining Goddard Manager, Ms. Burls was the Chief Operating Officer, Universities South at Sodexo SA in Dallas, Texas from September 2019 through July 2020 and the Regional Vice President of Operations, Southeast for Starbucks in Dallas, Texas from September 2015 through September 2019.

Senior Vice President, Chief Human Resources and Learning Officer of Goddard Manager: Christina Estrada

Ms. Estrada assumed her current role at Goddard Manager in October 2021. She was Senior Vice President, Chief Human Resources Officer of Goddard Manager from February 2020 through September 2021 and served as Vice President, Human Resources of Goddard Manager from October 2019 to January 2020. From January 2017 to March 2019, she served as Executive Vice President and Chief Human Resources Officer for TIAA Bank in Jacksonville, Florida.

Senior Vice President, Chief Marketing Officer of Goddard Manager: Marcel Nahm

Mr. Nahm has been Senior Vice President, Chief Marketing Officer of Goddard Manager since January 2022. Mr. Nahm served as the Senior Vice President of Focus Brands in Atlanta, Georgia from May 2018 to October 2021.

Senior Vice President, Chief Development Officer of Goddard Manager: Matthew Zaia

Mr. Zaia has been Senior Vice President, Chief Development Officer of Goddard Manager since February 2023. Mr. Zaia served as Vice President of Development and Franchising for Restaurant Brands International in Miami, Florida from May 2022 to February 2023. He served as Vice President, Development of Domino's Pizza, LLC in Ann Arbor, Michigan from December 2020 to May 2022 and Director, Franchise Development and Recruiting of Domino's Pizza, LLC in Ann Arbor, Michigan from November 2016 to December 2020.

Senior Vice President, Chief Information Officer of Goddard Manager: Dr. Ali M. Tafreshi

Mr. Tafreshi has been Senior Vice President, Chief Information Officer of Goddard Manager since March 2024. Mr. Tafreshi served as Chief Information Officer of Authority Brands in Columbia, Maryland from December 2019 to March 2024. He served as CIO Partner of Tatum in Atlanta, Georgia from October 2016 to July 2019.

Vice President of Franchise Sales of Goddard Manager: Kevin Brickner

Mr. Brickner has been Vice President of Franchise Sales of Goddard Manager since July 2022. Mr. Brickner served as Senior Vice President of Franchise Sales of Wyndham Hotels and Resorts in Parsippany, New Jersey from April 2015 to July 2022.

Vice President of IT Infrastructure and Security of Goddard Manager: Kenneth Johnson

Mr. Johnson has been Vice President of IT Infrastructure and Security of Goddard Manager since April 2021. From October 2020 through April 2021, Mr. Johnson was the Global Head of IT Security for Focus Brands, LLC in Atlanta, Georgia. From June 2015 until June 2020, Mr. Johnson was the Head of Enterprise Risk and Security for Randstad U.S.A in Atlanta, Georgia.

Vice President of Digital Marketing of Goddard Manager: Keith Stewart

Mr. Stewart has been Vice President of Digital Marketing of Goddard Manager since August 2023. From March 2020 through August 2023, Mr. Stewart was the Vice President of Marketing for Sodexo in Gaithersburg, Maryland. From January 2013 through March 2020, Mr. Stewart was the Executive Leader of Marketing for Whole Foods Market in Austin, Texas.

Director of Early Childhood Education Programs of Goddard Manager: Karie Ann Middleton

Ms. Middleton assumed her current role at Goddard Manager in January 2024. Previously, she was Goddard Manager's Director of Early Childhood Research and Innovation from August 2022 to December 2023 and Goddard Manager's Manager, Program Quality and Accreditation from March 2019 to August 2022.

Director of Business Operations of Goddard Manager: Linda Labs

Ms. Labs has been Director of Business Operations of Goddard Manager since January 2020. She served as Director of Operations of Goddard Manager from October 2017 to December 2019.

Franchise Development Manager of Goddard Manager: Jeffrey Travitz

Mr. Travitz has been Franchise Development Manager of Goddard Manager since November 2021. From January 2018 to November 2021, Mr. Travitz was National Sales Controller of Goddard Manager.

Franchise Sales Manager of Goddard Manager: Kurt Montgomery

Mr. Montgomery has been our Franchise Sales Manager since September 2022. From January 2019 to July 2022, Mr. Montgomery served as the Vice President of Business Development for Highgate in Irving, Texas.

Franchise Sales Manager of Goddard Manager: Scott Weidholz

Mr. Weidholz has been our Franchise Sales Manager since January 2023. From April 2021 to January 2023, Mr. Weidholz served as the Director of Franchise Development for Regus Management, Inc. in Carrollton, Texas. From May 2020 to March 2021, he served as Senior Director of Franchise Development for COIT Cleaning Franchise in San Francisco, California. From November 2018 to April 2020, he served as Director of Franchise Development for Massage Envy in Scottsdale, Arizona.

Franchise Sales Manager of Goddard Manager: Hannah Serba

Ms. Serba has been our Franchise Sales Manager since May 2023. From August 2022 to May 2023, Ms. Serba served as Director of Sales for IWG in Nashville, Tennessee. From October 2021 to August 2022, she served as Director of Sales for Jump Crew in Nashville, Tennessee. From November 2019 to October 2021, she served as Sales Manager for IWG in Aspen, Colorado. From February 2009 to October 2019, she served as Sales Manager for Waste Management in Vail, Colorado.

Director, Health and Safety of Goddard Manager: Janet Lennon

Ms. Lennon has been Director, Health and Safety of Goddard Manager since March 2023. Previously, she was Manager of Health and Safety of Goddard Manager from January 2016 to March 2023.

Manager of Franchise Administration of Goddard Manager: Tracey Grill

Ms. Grill has been Franchise Administration Manager of Goddard Manager since December 2021. She served as GSU Trainer – Onboarding of Goddard Manager from September 2013 to December 2021.

Director of Franchise Financing of Goddard Manager: Crystal L. Keehn

Ms. Keehn has been Director of Franchise Financing of Goddard Manager since January 2016.

Vice President of Learning and Training of Goddard Manager: Jennifer Bowden

Ms. Bowden has been Vice President of Learning and Training of Goddard Manager since May 2023. Previously, she served as Director of Learning and Training from November 2021 to April 2023. Before that, she served as Director of Training and Program Development of Goddard Manager from March 2017 to November 2021.

Licensing Specialist of Goddard Manager: Dana E. Coleman

Ms. Coleman has been Licensing Specialist of Goddard Manager since April 2024. Previously, she served as Pre-Opening Process Manager of Goddard Manager from May 2010 to April 2024.

Licensing Specialist of Goddard Manager: Tracie Parillo

Ms. Parillo has been Licensing Specialist of Goddard Manager since April 2024. Previously, she served as Contracts Coordinator of Wyndham Hotels & Resorts, LLC in Parsippany, New Jersey from March 2001 to April 2024.

Corporate Counsel of Goddard Manager: Juliann S. Kelley

Ms. Kelley has been Corporate Counsel of Goddard Manager since November 2020. Previously, she was Staff Counsel of Goddard Manager from March 2018 through June 2019. Ms. Kelley was an Attorney for Campbell Conroy & O'Neil, P.C. in Berwyn, Pennsylvania from June 2019 through November 2020.

Franchise Licensing Manager of Goddard Manager: Jennifer M. Miller

Ms. Miller has been Franchise Licensing Manager of Goddard Manager since March 2023. Previously, she served as Contract Administrator of Goddard Manager from May 2017 to March 2023.

Legal Department Administrator of Goddard Manager: Tammy Smith

Ms. Smith has been Legal Department Administrator for Goddard Manager since March 2022. Previously, she served as Administrative Assistant to the Senior Vice President of Franchise Development for Goddard Manager from June 2012 through March 2022.

Risk Management Director of Goddard Manager: Ashley Zink

Ms. Zink has been Risk Management Director of Goddard Manager since April 2023. Previously, she served as Director of Governance & Strategic Initiatives for Pennsylvania Public School Employees Retirement in Harrisburg, PA from February 2023 to April 2023. She served as Special Assistant of Pennsylvania Office of Budget in Harrisburg, PA from July 2022 to February 2023. She served as Director of Risk Management and Performance for Pennsylvania Office of the Governor in Harrisburg, Pennsylvania from May 2020 to February 2023. She served as Director of Compliance and Enterprise Risk Management for Dickerson College in Carlisle, Pennsylvania from April 2015 to May 2020.

Director of Regional Operations of Goddard Manager: Mark Garra

Mr. Garra has been Director of Regional Operations of Goddard Manager since March 2023. Mr. Garra served as Regional Manager of Operations of Goddard Manager from August 2021 to March 2023. He served as District Manager of Starbucks Coffee Company in Seattle, Washington from December 2011 to July 2021.

Director of Regional Operations of Goddard Manager: Samantha Savage

Ms. Savage has been Director of Regional Operations of Goddard Manager since March 2023. Ms. Savage served as Regional Manager, Midwest of Goddard Manager from January 2020 to March 2023. She served as Regional Manager of Education Support Nationwide of Goddard Manager from July 2017 to January 2020.

Director of Regional Operations of Goddard Manager: Seth Shapiro

Mr. Shapiro has been Director of Regional Operations of Goddard Manager since November 2023. Mr. Shapiro served as Franchise Consultant of Goddard Manager from March 2021 to October 2023. He served as District Manager of C2 Education in Johns Creek, Georgia from March 2018 to March 2021.

Director of Regional Operations of Goddard Manager: Shannon Truesdale-Curry

Ms. Truesdale-Curry has been Director of Regional Operations of Goddard Manager since March 2022. Previously, she served as Regional Manager of Goddard Manager from November 2021 to March 2022 and Franchise Consultant of Goddard Manager from March 2021 to November 2021. She served as Director of Franchise Operations for Creative World in Orlando, Florida from November 2019 to January 2021. She served as Regional Manager for The Learning Experience in Deerfield Beach, Florida from December 2014 to October 2019.

Director of Education Research and Innovation of Goddard Manager: Maria Shaheen

Ms. Shaheen has been Director of Education Research and Innovation of Goddard Manager since January 2024. Previously, she served as Senior Director of Education Research and Innovation for Primrose in Atlanta, Georgia from January 2014 to January 2024.

Item 3

LITIGATION

Pond Road Associates, LLC v. Anika Aarav, LLC, Melwyn Pinto and Shilpa Pinto, No. L-1414-23 (N.J. Super. Ct. Law Div.), was filed in the Superior Court of New Jersey, Law Division, on or about May 5, 2023. Pond Road Associates, LLC, the landlord of a School, sued our former franchisees Melwyn Pinto and Shilpa Pinto, along with their operating entity, Anika Aarav, LLC (collectively, the "**Former Franchisees**"), to recover amounts allegedly due to it under the lease for the School. On June 16, 2023, the Former Franchisees filed a third-party complaint against Goddard Manager, Maketra, LLC (a former operating entity owned by our franchisees from whom the Former Franchisees acquired the School), Bloom Academy, LLC (the alleged current tenant of the location) and Todd Howard (the alleged sole member of Bloom Academy, LLC). The Former Franchisees asserted 3 claims against Goddard Manager: breach of the implied covenant of good faith and fair dealing, fraud and misrepresentation. The claims stemmed from the Former Franchisees' allegations that Goddard Manager and Maketra fraudulently induced them to enter into the agreements to own and operate the School. On August 23, 2023, Goddard Manager filed a motion to dismiss the third-party complaint against it. On October 10, 2023, the Former Franchisees and Goddard Manager entered into a stipulation of dismissal pursuant to which the Former Franchisees agreed to dismiss without prejudice the claims asserted against Goddard Manager in the third-party complaint.

Litigation Against Franchisees in the Last Fiscal Year

During its fiscal year 2023, our predecessor, Goddard Manager, did not initiate any lawsuits against a franchisee or former franchisee.

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

Item 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

Item 5

INITIAL FEES

You must pay an initial license fee of $135,000 for the School you will develop under the Franchise Agreement, except as described below. The initial license fee consists of an initial deposit of $30,000 which you must pay when you sign the Preliminary Agreement. The remaining $105,000 is payable when you receive a statement from us showing the status of your account (the "**Opening Invoice**") at approximately the same time that a Certificate of Occupancy, Temporary Certificate of Occupancy or Use and Occupancy Certificate ("**Certificate of Occupancy**") is issued for the School. If, for any reason, you sign a Franchise Agreement without signing a Preliminary Agreement, you must pay $30,000 when you sign the Franchise Agreement and $105,000 when you receive the Opening Invoice. The initial deposit of $30,000 is not refundable in whole or in part after you sign a Franchise Agreement nor if you request to terminate the Preliminary Agreement or if it expires. The initial license fee of $135,000 is not refundable once you sign a Franchise Agreement.

The initial license fee is uniform except for (1) our current incentive program of charging a reduced fee to existing franchisees in good standing who purchase an additional franchise to develop a new School (not to add an Annex or a Satellite Location), (2) our current incentive program of offering a discount to veterans of the U.S. Armed Forces, (3) our reduced initial license fee if you are purchasing the assets of an existing operating Goddard School franchise, and (4) our reduced initial license fee if you are renewing your Franchise Agreement discussed in Item 6. We may also allow certain applicants who are in the process of acquiring a Goddard School franchise at the time of a fee increase to pay a reduced fee equal to the fee that was in effect immediately before the fee increase. We may also offer inducements to purchase an existing School that had recently closed or was in jeopardy of closing, as described below. Our discounts and incentives may not be transferred or combined and, except for the discount we offer as a result of Goddard Manager's participation in the IFA's Vet*Fran program, are only offered when no commission is payable to a franchise broker, lead network, or other commissioned party. You may only qualify to use one discount or incentive for any franchise purchase. We may collect the amount of the discount allowed if you transfer your School(s) or you are removed from the Franchise Agreement and/or the operating entity to which you assigned the Franchise Agreement for the School(s)] before the new School has operated for two years. We may modify or change our discount and incentive programs at any time. We and you will sign an Amendment to Franchise Agreement (Modified Fee) in the form attached as **Exhibit C-5**, with the applicable provision(s) to reflect the reduced fee(s) and other applicable provisions granted to you under our programs described in (1) and (2) above. We and you will sign an Amendment to Franchise Agreement (Transfer) in the form attached as **Exhibit C-6**, with the applicable provision to reflect the reduced initial license fee under our program described in (3) above. The reduced initial license fee if you are renewing your Franchise Agreement is reflected in the Franchise Agreement (Renewal) in the form attached as **Exhibit C-10**.

We offer as a development incentive a reduced initial license fee of $60,000 for existing franchisees in good standing who are, or who demonstrate to us their desire and ability to be, both financially and operationally qualified to purchase an additional franchise to develop a new School. (An Annex or Satellite Location is licensed under an amendment to the original Franchise Agreement and is not considered a separate or an additional franchise.) If you qualify and participate in this incentive program by purchasing an additional franchise and no commission is payable to a franchise broker, lead network, or other commissioned party, a deposit of $30,000 is payable when the Preliminary Agreement is signed. The remaining $30,000 is payable when you receive the Opening Invoice. If, for any reason, you sign a Franchise Agreement without signing a Preliminary Agreement, you must pay $30,000 when you sign the Franchise Agreement and $30,000 when you receive the Opening Invoice. We also offer to reduce the royalty fee during the first year if you qualify and participate in this incentive program. See Item 6. This offer is only given to existing franchisees for new franchise agreements to develop a new School and may not be transferred or combined with any other discount or incentive offer. The existing franchisees must own at least 10% of the new franchise and the existing franchise and 10% of any business entity to which the new Franchise Agreement and the existing Franchise

Agreement may be assigned for the first two years of operation of the new School. The initial deposit of $30,000 is not refundable in whole or in part after you sign a Franchise Agreement nor if you request to terminate the Preliminary Agreement or if it expires. The initial license fee of $60,000 is not refundable once you sign a Franchise Agreement. We may in certain instances waive the requirement that you have a separate Designated On-Site Operator (as defined in Item 15 below) for the additional franchise, for example, you meet certain requirements for proximity of the additional franchise to the existing School.

Goddard Manager is a member of the International Franchise Association and participates on behalf of the Goddard franchise system in the IFA's Vet*Fran program. As a result, we provide a discount of $20,000 on the initial license fee for a first franchise to honorably discharged veterans of the U.S. Armed Forces who otherwise satisfy our criteria (even if their application as a franchisee is submitted by a franchise broker, franchise lead network, or other commissioned party). To qualify for the discount, the veteran(s) must own at least 50% of the franchise and 50% of any business entity to which the Franchise Agreement will be assigned. If you qualify for the discounted initial license fee of $115,000, a deposit of $30,000 is payable when the Preliminary Agreement is signed and the remaining $85,000 is payable when you receive the Opening Invoice. If, for any reason, you sign a Franchise Agreement without signing a Preliminary Agreement, you must pay $30,000 when you sign the Franchise Agreement and $85,000 when you receive the Opening Invoice. This offer is only given to qualified veterans for new agreements and may not be transferred or combined with any other discount or incentive offer. The veteran(s) must continue to own the 50% interest of the franchise and any business entity to which the Franchise Agreement may be assigned for the first two years of operation of the School. If you make a deposit for the purchase of a first franchise using our Vet*Fran program discount, the initial deposit of $30,000 is not refundable in whole or in part after you sign a Franchise Agreement nor if you request to terminate the Preliminary Agreement or if it expires. The initial license fee of $115,000 is not refundable once you sign a Franchise Agreement.

If you are purchasing the assets of an existing operating franchise, the transferring franchisee must enter into a Termination of Franchise Agreement and Mutual Release with us, among other things, terminating the transferring franchisee's franchise agreement. You will not enter into a Preliminary Agreement but will enter into a new franchise agreement with us which will have an initial term equal to the initial term then being offered by us to franchisees purchasing a franchise to develop a new School, currently 15 years. Your initial license fee will be $40,000 which you must pay in full when you sign the Franchise Agreement. The initial license fee is not refundable once you sign the Franchise Agreement.

The Preliminary Agreement you will sign if you are applying to purchase a franchise and paying the initial deposit of $30,000, whether for a franchise at our standard initial license fee of $135,000 or at a reduced initial license fee under 1 of our 2 current incentive programs for existing franchisees in good standing who purchase an additional franchise and for veterans of the U.S. Armed Forces, will have a term of 3 years. The Preliminary Agreement will expire after 3 years if you do not locate and secure a site approved by us and sign and return the Franchise Agreement or otherwise sign and return the Franchise Agreement at a time we designate before the expiration of the 3-year period. We may grant an extension of up to 1 year if you so request in writing at least 30 days before the expiration date and we grant your request in our sole business judgment. We may set construction and/or other development milestones in our sole business judgment that you must satisfy during the term of the Preliminary Agreement.

You may terminate the Preliminary Agreement at any time before you sign a lease or purchase contract for the School premises. If you terminate the Preliminary Agreement, you must sign a termination agreement containing a general release in our favor, in a form satisfactory to us. Upon our receipt of your signed Termination of Preliminary Agreement and Mutual Release, termination will be effective. We will not refund the initial deposit of $30,000 if you terminate the Preliminary Agreement or if it expires. The Termination of Preliminary Agreement and Mutual Release attached as **Exhibit D-1** and Termination of Franchise Agreement and Mutual Release attached as **Exhibit D-2** each contains a sample form of general release language that would be acceptable to us in connection with a termination of the Preliminary Agreement, termination of the

Franchise Agreement, or your entering into a subsequent term or transfer of the franchise or other event when we require you to deliver a general release to us.

We may, in our sole business judgment, terminate the Preliminary Agreement for any reason with or without cause at any time effective immediately. If we give you notice of termination for any reason, you must sign a termination agreement in a form satisfactory to us, including a general release. We will not refund any portion of the initial deposit if we terminate the Preliminary Agreement, except we may elect to refund all or a portion of the initial deposit in our sole business judgment, without interest, if you met your obligations under the Preliminary Agreement including closely adhering to our processes for site development, and you deliver a signed termination agreement in a form satisfactory to us, containing a general release. We will pay any refund we may elect to grant to you in equal shares if you are more than one person unless we receive prior written instructions signed by all of you. If you purchase the assets of an existing Goddard School franchise and do not wish to proceed under the Preliminary Agreement, we may, within our sole business judgment, apply the initial deposit towards fees you owe to us in connection with the transfer, provided you meet all of our requirements, including making all payments in connection with the purchase of the assets of the existing franchisee.

You must pay us a fee for us to obtain background checks (including credit and criminal) on you. You must pay us the background check fee when you sign the Preliminary Agreement, or the Franchise Agreement if a Preliminary Agreement is not signed. The fee is $1,500 per person. If we require additional background checks before you open the School, you will pay us an additional background check fee upon demand. The background check fee is not refundable.

You must pay us by wire transfer an initial marketing fee of: (i) $55,000 if you have up to 130 full-time equivalent enrollment capacity; (ii) $65,000 if you have between 131 to 160 full-time equivalent enrollment capacity; or (iii) $75,000 if you have more than 160 full-time equivalent enrollment capacity. You must pay us $55,000 of the initial marketing fee when you sign the Franchise Agreement and any remaining balance when you receive the Opening Invoice. If you are purchasing the assets of an existing operating franchise, your initial marketing fee will be the initial marketing fee then required of buyers of existing Goddard Schools, currently $15,000, but may be different based on our review of your proposed plan and assessment of the School's needs. This initial marketing fee will be used for opening promotion, brand development, public relations, general administrative expenses, and initial marketing that we arrange for the School. We and you will sign an Amendment to Franchise Agreement (Modified Fee) in the form attached as **Exhibit C-5**, with the applicable provisions to reflect any increase or modification of the initial marketing fee and other applicable provisions granted to you. The initial marketing fee is not refundable.

We also charge a non-refundable initial training and opening support fee of $35,000. The fee covers your initial training, opening support provided by the School Support Services department and the Learning & Training team, as well as additional training as we deem necessary to support a successful opening and enrollment ramp-up. The initial training and opening support fee is payable upon your receipt of the Opening Invoice by wire transfer. The fee is uniform except for our current policies of (i) charging a reduced fee of $15,000 to existing franchisees in good standing who purchase an additional franchise or in certain circumstances waiving the fee for existing franchisees in return for a substantial reduction of our obligations, and (ii) charging a reduced fee of $25,000 to purchasers of the assets of existing franchises. The fee covers initial training and opening support for up to 2 individuals named as parties to the Franchise Agreement. Additional individuals named as parties to the Franchise Agreement may participate in the initial training and opening support but we will charge a fee of $3,500 per additional person. In addition, if the Designated On-Site Operator is not a party to the Franchise Agreement, we will charge a fee of $3,500 for the Designated On-Site Operator to participate in the initial training and opening support. We will provide initial training and opening support to the individual we have approved to serve as the Designated On-Site Operator and additional individuals named as parties to the Franchise Agreement that you request or we require, delivered through a blend of online coursework, virtual, live sessions and in person training at our corporate offices or at another training site we select in accordance with our then current training program and via virtual and/or in-person one-on-one or small group training. Any person who has signed the Franchise Agreement and/or is responsible for the day-to-day operations of the School (such as the Designated On-Site Operator and any replacement Designated On-Site Operator) must attend and complete all requirements to our satisfaction of Goddard Manager's applicable initial training program(s) at your expense. You must send any replacement Designated On-Site Operators to the applicable initial training within our initial operator training timeline. You must pay for your expenses during training, including the cost of food, all transportation and lodging costs for any in-person training portion. You must have one full-time director who meets our then current qualification requirements, and any additional full-time directors we may deem appropriate in our sole business judgment. One primary director (and replacements for that primary director) must successfully complete our Director Initial Training Cohort Program within our director training timeline. Currently, our director training consists of two parts: the Goddard Foundations Training Program and the Director Initial Training Cohort Program. The Goddard Foundations Training Program is a series of online coursework via our adult learning platform that any director, primary, assistant or other title, may complete. The Director Initial Training Cohort Program is a series of live, virtual meetings, but may involve a portion of in-person training at a training site we select in accordance with our then current training program. We currently charge $250 for the Director Initial Training Cohort Program but we may increase this fee in the future. You must also pay for your directors' salary and expenses during training, including all travel costs if in-person training is required as part of our then current Director Initial Training Cohort Program.

We will undertake to assist you in identifying potential locations that meet our general standards, size, layout and other physical characteristics, as well as rental and lease terms. Our assistance may also include, in part, demographic studies, competitive analyses, attendance of township approval meetings, review of licensing and zoning requirements, general compliance with state and local regulations and travel expenses, including food, transportation and lodging, of our employees. You will participate in and attend all phases of the real estate process. You must pay us $35,000 as a fee for site development assistance, except as described below. This fee is due by wire transfer immediately upon your receipt of the Opening Invoice and is non-refundable. The site development fee is uniform except for our current policy of charging a reduced fee of $15,000 to existing franchisees in good standing who purchase an additional franchise, and if you are an existing franchisee in good standing amending the Franchise Agreement to add a Satellite Location, the fee is $8,750 for our site development assistance related to the Satellite Location payable when you sign the Satellite Location Amendment.

You will pay us a non-refundable convention deposit of $2,000 when you receive the Opening Invoice or, if you are purchasing an existing School, the deposit is due when you sign the Franchise Agreement. We will hold the deposit and apply it, until the deposit is depleted, to attendance fees we charge for annual franchisee events that you must attend after your School opens. We will not pay any interest on the deposit and do not have to hold the deposit in a separate account. For each required event, we will apply from the convention deposit an amount equal to the registration fee for one individual, regardless of whether you or your personnel attend.

As described in Item 8, we may require you to purchase certain equipment and supplies from approved or designated suppliers (which may include or be limited to us or our affiliates). We may offer or require the submittal to us of our then-current form of Purchase Orders for certain products and services which we will submit to approved suppliers on your behalf for you to purchase these required items from our approved suppliers. We do not, however, offer to issue Purchase Orders for you to purchase these items for an Annex or a Satellite Location, except for a computer system (including all hardware, software and firmware, and network infrastructure, including a router and firewall). You may also be required to sign separate agreements with suppliers that we designate or approve for the purchase of certain products or services. We may share with suppliers certain information about you and your ability to pay for the costs associated with opening the school, including commitment letters from your lender(s) and/or similar documentation.

For ease of reference, although it may be considered to be part of the required computer system in the broad sense, we will sometimes also refer to network infrastructure, including a router and firewall separately from the computer system, as information technology equipment or "**IT Security**." A computer system and IT Security must always be purchased from our approved supplier. We instead may require that you purchase certain items for an Annex or a Satellite Location other than a computer system and IT Security from our approved suppliers directly or through design/build professionals we designate. Some of these other items would otherwise be included as part of your equipment packages for your School (including furniture, fixtures and equipment; marketing materials, stationery, forms, curricular resources; sign package; telephone, telecommunications infrastructure products and support services, interactive flat panel and digital signage package; and security system package), and therefore would be purchased by the issuance of Purchase Orders before opening. Because we do not recognize revenue on the sale of any of these items for which we submit any Purchases Orders to approved suppliers and do not mark up the suppliers' prices as discussed in Item 8, we do not treat the purchase price of items you purchase through Purchase Orders we issue and submit to approved suppliers on your behalf as required fees under this Item 5.

The fees listed in this Item 5 are uniform for all prospective franchisees purchasing a franchise, except as described above, and except (i) if we increase one or more fees after you signed a Preliminary Agreement, we will permit you to purchase your franchise at the lower fee(s) in effect at the time you signed your Preliminary Agreement, and (ii) we may reduce or waive the initial license fee and certain other fees as an inducement if the prospective franchisee purchases an existing School that had recently closed or was, in our sole business judgment, in jeopardy of closing; we will make the decision on the amount of any waiver or reduction based on our assessment of the need for special incentives. We and you will sign an Amendment to Franchise Agreement (Modified Fee) in the form attached as **Exhibit C-5**, with the applicable provisions to reflect any reduced, increased or modified fees and other applicable provisions granted to you except if you are purchasing the assets of an existing operating franchise, any applicable provisions to reflect any reduced, increased or modified fees and other applicable provisions granted to you will be included in the Amendment to Franchise Agreement (Transfer) in the form attached as **Exhibit C-6**. The initial training and opening support fee, initial marketing fee, and unless you are relocating the School, the site development fee, do not apply if you are renewing your Franchise Agreement, but you will pay an initial license fee if you are renewing your Franchise Agreement as discussed in Item 6. In 2023, initial license fees paid by franchisees developing new Schools ranged from $60,000 to $135,000, initial license fees paid by franchisees purchasing an existing franchise were $0 to $40,000 and initial license fees paid by franchisees renewing their franchise agreement were $0; initial marketing fees for new Schools ranged from $50,000 to $65,000 and initial marketing fees for franchisees purchasing an existing franchise were $0 and initial marketing fees for a Satellite Location were $15,000.

Annex and Satellite Location

The discussion above does not reflect any fees you must pay if we allow you to develop and operate an Annex or a Satellite Location after you have signed the Franchise Agreement. These fees are described in Item 6 and generally are the same fees payable with regard to the associated School, except there are adjustments to the fees described in this Item 5 for a Satellite Location and generally no similar initial fees with regard to an Annex except for our right to charge you a reasonable fee up to the current site development fee, fees to update background checks (in our sole business judgment) and/or right to require a convention deposit. You and we will enter into an Annex Amendment or Satellite Location Amendment to the Franchise Agreement, as applicable, and any Annex and any Satellite Location will be governed under the Franchise Agreement (and not under a separate franchise agreement).

Franchisee Incentive Program

We may offer incentives of $10,000 per referral to franchisees or to applicants under a Preliminary Agreement who are in good standing and are the first to refer a prospective franchisee ("**Prospect**") to us if no commission is payable to a franchise broker, lead network or other party entitled to a commission. The incentive is payable for Prospects who buy franchises for new Schools and for Prospects who buy existing Schools if the selling franchisee has signed a listing agreement with us. Franchisees who find buyers for their own Schools are not eligible for this incentive. For new Schools, we currently pay the incentive when the Prospect opens the School. For transferred Schools, we pay the incentive after the closing of the sale of the School. A referring franchisee is eligible for no more than two incentives per 12-month period (one incentive per 12-month period in Washington State). This incentive is available only for the first School that a Prospect opens or purchases as a transfer, and does not apply to any Annex or Satellite Location that may be added.

The promotion and sales of franchises is highly regulated. For this reason, to qualify for an incentive, a referring franchisee's role in referring a Prospect must be limited to providing us with the Prospect's name and contact information. A referring franchisee may not disclose to the Prospect any financial performance information about the referring franchisee's School or other Schools. A referring franchisee's role with the Prospect must be passive, otherwise the referring franchisee risks: (i) personal liability under federal and state franchise laws; (ii) our legal compliance; and (iii) our ability to sell a franchise to the Prospect. We will not pay an incentive where prohibited by law. We may modify or end this incentive program at any time without prior notice.

Development Agreement

If you sign a Development Agreement, you must pay us a development fee equal to $60,000 multiplied by the number of Schools you will develop within the Development Area. You must pay us this fee in a lump sum when you sign the Development Rights Agreement. We will not refund the development fee under any circumstances, but we will apply $50,000 of the development fee toward the initial license fee owed under each franchise agreement that the Development Agreement covers. We expect the Development Agreements to cover between 2 and 5 Schools.

* * * * *

You will bear the cost of and must pay any sales tax, use tax, gross receipts tax, excise tax, or other similar tax on your payments to us. We may collect some of these taxes resulting from your Opening Invoice from you for transmittal to the taxing authority. You will reimburse us for any taxes we must pay directly to any taxing authority. You are responsible for any taxes that we do not collect and/or remit on your behalf.

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Item 6

OTHER FEES

OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Royalty Fee	7% of Gross Receipts of the School If you are an existing franchisee purchasing an additional (new) franchise for a reduced initial license fee described in Item 5, the royalty fee is reduced during the first year of operation of the new School to 2% of Gross Receipts for months 1-3, 4% for months 4-6, and 6% for months 7-12.	Payable monthly on 3rd business day of each month on Gross Receipts for the preceding month. We will electronically withdraw the payment on or after the 3rd business day of any month.	"Gross Receipts" is defined in the Franchise Agreement as the amount of all cash collected or other consideration received, including the fair market value of property or services received or to be received in bartering, for all services of any nature at or from or as a result of the School. If you fail to report Gross Receipts on a timely basis, we may estimate your Gross Receipts and withdraw from your operating account the amounts we estimate to be due to us for the royalty fee and the TGS Marketing Fund marketing fee, as described below. Any overpayments will be forwarded to you or credited to your account, less any bank fees; you will reimburse us for any underpayments, with interest and bank fees. The Gross Receipts of any Annex or Satellite Location are included in Gross Receipts under the Franchise Agreement and are subject to payment of the Royalty Fee. If you initially qualify and participate in our incentive program for existing franchisees purchasing an additional franchise for a new School, the reduced royalty fee is personal to you. If, at any time during the first 2 years of the new School's operation, the condition for the discount no longer exists, you will pay the regular royalty rate of 7% going forward, as well as pay us the difference between the 7% rate and the discounted rate you paid. You will no longer meet the discount requirements if you transfer the new School or the existing School or you are removed from the Franchise Agreement and/or the operating entity to which you assigned the Franchise Agreement for the new School or the existing School.

Type of Fee[(1)]	Amount	Due Date	Remarks
TGS Marketing Fund Marketing Fee	4% of Gross Receipts, including the Gross Receipts derived from any Satellite Location or Annex, per month; or lesser rates we may assess for certain time periods	Payable monthly at same time monthly Royalty Fee is due	You will pay a continuing monthly marketing fee to the TGS Marketing Fund. We may designate an affiliate to administer the TGS Marketing Fund marketing and promotional programs for us. Right to Collect Lesser Amount We may assess a continuing monthly TGS Marketing Fund Marketing Fee for franchisees in a lesser rate than the amount we have the right to assess, without waiving our right to assess the full rate, if we determine, in our sole business judgment, that the lesser rate will provide an appropriate level of marketing for the brand or the TGS Marketing Fund.
Proprietary Curriculum Fee	Then-current fee – currently $700 per month, plus taxes	Payable monthly at same time monthly Royalty Fee is due	You must pay us a monthly subscription fee to use our proprietary curriculum (called Wonder of Learning), which currently includes access to an online platform that also serves as a parent communication application.
Local Advertising, Marketing and Promotion	Your cost	As incurred, payable to us or the vendor	You must market and promote your business on a local basis in accordance with our then current guidelines and standards, which are in the Operating Manual. Accordingly, you must execute school specific marketing and advertising at your sole cost and responsibility.
Telephone charges	Cost of telephone services	As incurred, payable to us or the vendor	You will pay directly or reimburse us for the fees for your telephone services.
Audit Expenses	Cost of audit, such as the charges of any independent accountant and the travel expenses, including food, transportation and lodging, and compensation of our employees, or $10,000, whichever is greater	Upon receipt of audit report	Payable only if the audit or inspection discovers underpayments of more than 3%.

Type of Fee[(1)]	Amount	Due Date	Remarks
Late Notification of Adverse Action or Order Fee	$50 for each and every failure and/or refusal to comply plus $25 per day beginning on the third day	Payable following each failure or refusal to comply with notification requirements; at our request, within 30 days following notice of the fee we may withdraw the amount from your operating account pursuant to your pre-authorized draft forms as provided in Section 4G of the Franchise Agreement.	Payable if you fail to timely notify us and/or deliver copies to us of any adverse action or order which may adversely affect any permit, certificate or license, the operation of the School, or your financial condition.
Late Submission of Forms, Financial Reports, other Reports, Information and Data	$50 for each and every failure and/or refusal to comply plus $25 per day beginning on the third day	Payable following each failure or refusal to comply with reporting requirements; at our request, we may withdraw the amount from your operating account pursuant to your pre-authorized draft forms as provided in Section 4G of the Franchise Agreement.	Payable if you fail to timely submit to us any of the forms, financial reports, reports, records, information, and/or data you are required to submit to us
Transfer Initial License Fee[(2)]	$40,000	Before effective date of transfer	Payable by buyer upon signing the Franchise Agreement; the buyer's Franchise Agreement will have an initial term equal to the initial term then being offered by us to franchisees purchasing a franchise to develop a new School.
Initial Training and Transfer Support Fee[(2)] (on-site field and technical)	$25,000, subject to annual increase of 10% If you are our existing franchisee and you purchase an existing School, the fee is $15,000	Before effective date of transfer	Payable by buyer upon signing the Franchise Agreement for initial training and on-site field and technical training.

Type of Fee[1]	Amount	Due Date	Remarks
Transfer Marketing Fee[2]	The initial marketing fee then required of buyers of existing Goddard Schools, currently $15,000, or a different amount based on our review of your proposed plan and assessment of the School's needs	Before effective date of transfer	Payable by buyer upon signing the Franchise Agreement and is paid to us to fund marketing and promotion support for the School.
Transfer Fee [2]	$5,000 transfer assignment fee	Before effective date of transfer	Transfer fee is payable by the seller when the Franchise Agreement or any interest in the franchise is transferred to cover our reasonable legal and accounting fees, credit and investigative charges, travel and other expenses. The transfer fee is in addition to the background check fee, which is payable by either the seller or the buyer. A transfer does not include adding persons as individual franchisees to the Franchise Agreement and/or the Assignment and Assumption Agreement in a transaction we determine in our sole business judgment not to constitute a transfer of the Franchise Agreement, the franchise (including any interest in a business entity that owns the franchise) or the assets of the School and that will qualify for the Franchisee Add-on Fee described below.
Transfer Deposit	$2,500	Before you sign Termination of Franchise Agreement and Mutual Release	Payable by you in connection with the transfer. We will hold the deposit and apply it to pay your obligations if you do not. We will refund any excess remaining after 105 days.
Franchisee Add-on Fee	$10,000	When you request permission to add persons as individual franchisees	Payable by you in connection with your request to add persons as individual franchisees to the Franchise Agreement and/or or the Assignment and Assumption Agreement in a transaction we do not determine in our sole business judgment to constitute a transfer of the Franchise Agreement, the franchise (including any interest in a business entity that owns the franchise) or the assets of the School. Amount covers the background check expense for up to two people and our reasonable administrative

Type of Fee[1]	Amount	Due Date	Remarks
			and other costs. You must pay a background check for persons to be added if more than two. No credit or refund will be granted against the background check fee for two persons covered in the franchisee add-on fee. You and the persons to be added to the Franchise Agreement and/or the Assignment and Assumption Agreement must sign documentation we require.
Renewal License Fee	$10,000	When you provide notice of intent to renew	Payable by you in connection with renewal. Amount covers the background check expense for up to two people and our reasonable administrative and other costs. You must pay a background check for persons if more than two. No credit or refund will be granted against the background check fee for two persons covered in the renewal license fee. There are other conditions for a renewal franchise agreement. See Item 17. For the avoidance of doubt no new or renewal satellite location fee will be payable in connection with a Satellite Location Amendment you sign in connection a renewal franchise agreement if you already paid a Satellite Location Fee for the same Satellite Location under a Satellite Location Amendment to the prior Franchise Agreement.

Type of Fee[1]	Amount	Due Date	Remarks
Background Check Fee[3]	$1,500 per person	You will pay us the amount in advance if we request before (1) effective date of transfer in the event of a transfer, or (2) addition of individual franchisees in the event of a franchisee change if background checks are required for more than two people, or (3) renewal in the event of renewal if background checks are required for more than two people, or (4) as incurred if we deem additional background checks are necessary or desirable during the term of the franchise, including if you develop an Annex or a Satellite Location	If you request permission to transfer the Franchise Agreement or any interest in the franchise, or to add individual franchisees to the Franchise Agreement or Assignment and Assumption Agreement, we and our agents will conduct background checks (including credit and criminal) on the buyer at the expense of the seller or the buyer in the event of a transfer and the additional individual franchisees in the event of the addition of individual franchisees. The fee is payable by buyer or seller, whether or not the transfer is effected, in the event of a transfer, or by you in the event of a franchisee change. If you renew the Franchise Agreement, we and our agents will conduct background checks (including credit and criminal) on you at your expense. The cost for background checks for up to two people is included in the renewal fee and franchisee add-on fee and you must pay the background check fee for the persons above two. If there is a change in your marital status, we and our agents may conduct a background check on any new spouse (including credit and criminal) and you must pay us an additional background check fee. We and our agents also have the right to conduct additional background checks (including credit and criminal) during the term of the Franchise Agreement, including if you develop an Annex or a Satellite Location. You must pay us the background check fee for all additional background checks unless it is a check we conduct less than five years since the last background check and the check is unrelated to a renewal, transfer, additional individual franchisee, a new spouse or an Annex or Satellite Location.
Director's Initial Training Fee	$250 - $5,000	Upon registration for the Director Initial Training Cohort Program	We currently charge a $250 fee for the Director Initial Training Cohort Program, but we may increase this fee if our costs increase. You must also pay for your directors' salary and expenses during training, including all travel costs,

Type of Fee[1]	Amount	Due Date	Remarks
			including food, transportation and lodging, if in-person training is required as part of our then-current Director Initial Training Cohort Program.
Designated On-Site Operator Training Fee	$3,500	As incurred	We will provide initial training to your Designated On-Site Operator if you hire a new or replacement Designated On-Site Operator during the Franchise Agreement's term. You must pay us a $3,500 fee for this training.
Conventions	Reasonable registration fee	As incurred	You must also pay the travel expenses, including food, transportation and lodging for in-person conventions.
Failure to Obtain Accreditation Fee	$1,000	As incurred	Failure to maintain accreditation will be a basis for enforcement action under the Franchise Agreement, including imposition of a penalty fee.
Retraining for Failure to Cure Default Fee	$500/day, plus our personnel's expenses	As incurred	We may provide on-site training, at your cost, if you fail to timely cure a default (in addition to our other rights and remedies).
Interest on Late Payments	1½% per month or the maximum rate permitted by law	As incurred	Any payment or other amount owed us or our affiliates under the Franchise Agreement or other agreement or account with us or our affiliates will bear interest, compounded monthly after the due date.
Insufficient Funds Fees, ACH and Other Financial Institution Charges	The greater of $30 or the amount imposed by the financial institution for an unsuccessful or late payment and any replacement payment Up to $20 if your failure to timely report your Gross Receipts results in an additional ACH transaction	As incurred	You must pay us the greater of $30 or the fee imposed by any financial institutions or any electronic funds transfer network or ACH for any returned, stop payment, insufficient funds, ACH fee or similar fee for an unsuccessful or late payment and any replacement payment.
Insurance; Insurance Reimbursement	Policy cost plus reasonable fee for our services, including our costs and expenses, if we obtain insurance	As incurred	You must obtain and maintain insurance coverages we specify. If you do not obtain the required insurance coverage, we may secure coverage for you and charge you for our services, including our costs and expenses. We estimate the cost of insurance to be approximately $17,500

Type of Fee[1]	Amount	Due Date	Remarks
			to $22,500 per year. However, the cost of insurance may vary substantially depending upon the size and location of the School, number of employees of the School and other factors. We reserve the right to increase insurance coverage amounts or require additional insurance which may affect your premiums.
Rent for premises of School [4]	Will vary under circumstances	Monthly	Although we and our affiliates generally do not sublease the School premises to you, if we do so, your rent under a sublease may exceed the rent paid by us or our affiliate to the prime landlord.
Maintenance/ Refurbishing	As specified	Maintenance as needed; refurbishing at our request but not more than once every 3 years	Maintenance may include periodic repainting, repairs and replacement of impaired or obsolete existing improvements, indoor and outdoor equipment and signs. Refurbishing may include structural changes, remodeling, redecorating, replacements, modifications and additions to existing improvements, indoor and outdoor equipment and signs to conform to our then-current standards and trade dress. These amounts will be payable to us or third parties as incurred.
Site Development Fee – Annex, Satellite Location, Relocation, Expansion	Up to our then-current site development fee offered for new franchises for any relocation, expansion, Annex and material alterations of the School, and $8,750 for our services in connection with any Satellite Location, including the development, any relocation, expansion and material alterations of a Satellite Location	When you receive the Opening Invoice for the Annex, or at our request, as applicable with respect to the School; when you sign the Satellite Location Amendment for development of the Satellite Location or at our request, with respect to any relocation, expansion and material alterations of a Satellite Location	We may charge you a reasonable fee for our services in connection with our assistance with any relocation, expansion, Annex and material alterations of the School, including with regard to any development or relocation, expansion and material alterations of any Annex or Satellite Location.

Type of Fee[1]	Amount	Due Date	Remarks
Proprietary Software Fee	Reasonable license fee	At our request, if we implement the fee, within 30 days following notice of the fee and we may withdraw the amount from your operating account pursuant to your pre-authorized draft forms as provided in Section 4G of the Franchise Agreement	At this time, we do not charge a fee for use of our proprietary software (currently called Franchise Management System (FMS)), but we reserve the right to do so.
Computer system, IT Security, network equipment / wireless access point devices, and telephone system modifications, enhancements, and installations system-wide fee and individual information technology maintenance and support services fee	As specified	At our request, within 30 days following notice of the fee and we may withdraw the amount from your operating account pursuant to your pre-authorized draft forms as provided in Section 4G of the Franchise Agreement	We may charge a reasonable systems fee for modifications, enhancements and installations made to our computer system (including all hardware, software, firmware and IT Security), network equipment / wireless access point devices, and telephone systems (including telecommunications infrastructure products and support services) and our proprietary software that we may assess based on an apportionment among our franchisees. We may also charge a reasonable fee on an individual franchisee basis for other information technology maintenance and support services we may provide that we determine in our sole business judgment are in excess of the general level of services we then provide to franchisees and/or are a result of your failure to timely replace any of your computer or IT network equipment. We may modify specifications to our computer system, IT Security, network equipment / wireless access point devices and telephone systems and you must purchase, lease and/or license new or modified computer system elements, IT Security, network equipment / wireless access point devices, and telephone system elements and obtain service and support as we direct according to the then current IT Hardware Standards as set forth in the Manual. You must install and configure endpoint security and data loss threat prevention

Type of Fee[1]	Amount	Due Date	Remarks
			software we specify and authorize us to monitor endpoint security and data loss threat prevention software on your computer systems. You must update/upgrade the software, from time to time as we specify, to remain effective against evolving threats and vulnerabilities. If you accept payment by credit or debit card, you are responsible for, and must pay the costs necessary to ensure that you comply with, the PCI and federal and state laws and regulations concerning data security, data privacy and security breaches. You must use best efforts to protect employees, students and their parents against identity theft and theft or misuse of personal information.
De-Identify Premises	Costs plus reasonable administrative fee	As incurred	If you don't de-identify the School premises following expiration or termination of the Franchise Agreement (if we don't elect to lease the premises), we may re-enter the premises and do so at your expense and charge you a fee.
Litigation Expenses	Our attorneys' fees, court costs, expert fees and litigation expenses	As incurred	We may recover our costs in any action to enforce or defend our rights under the Franchise Agreement, the Preliminary Agreement, and the Development Agreement.
Taxes	Amount of taxes	As incurred	If any taxing authority imposes any sales, use, gross receipts or other tax, levy or assessment on any payments you make to us, you must pay the amount assessed, or reimburse us if we must pay it directly. You are responsible for any taxes that we do not collect and/or remit on your behalf.
Late Crisis Notification Fee	$2,500 for each and every failure to notify plus $500 per day beginning on the second day	As incurred	Because of the potential damage to the System and the goodwill associated with the Proprietary Marks, if you fail to alert us immediately of any potential crisis situation, including any allegation or occurrence of abuse, neglect, or mistreatment of a child; any allegation or discovery that a child has been released to an unauthorized person; any occurrence of unlawful conduct in the School; any

Type of Fee[1]	Amount	Due Date	Remarks
			allegation or discovery of any hazardous substance associated with the School; any outbreak of serious illness associated with the School; or any allegation or discovery of any breach of computer or camera systems, loss of data, files or personally identifiable information, after you know or should reasonably know of the existence of the potential crisis, you will pay us a late crisis notification fee to compensate for our added crisis-management efforts resulting from the late notification.
Indemnification	Amount of loss or damages plus costs	As incurred	You must indemnify us, our subsidiaries and affiliates and our/their respective officers, directors, managers, members, partners, shareholders, employees and independent contractors against all claims arising from your ownership, operation or occupation of the School, as well as all costs, including attorneys' fees, of defending against them.
Developer Add-On Fee	$10,000	As incurred	You must request our consent to add 1 or more persons to the Development Agreement or as your owners. If we determine or deem that the transaction does not constitute a transfer under the Development Agreement and we consent to the transaction, you must pay us a non-refundable add-on fee equal to $10,000 to cover the background check fee for up to 2 persons and administrative and other expenses related to the add-on. If more than 2 persons are to be added, you must also pay our costs to obtain background checks (including credit and criminal) on those additional persons in the amount we then estimate. If the cost of the background check is less than the amount we estimate and collect from you for any such additional person, we will apply the difference as a credit to the amounts you owe us.

Satellite Location; Companion School. In addition to the fees above that are generally applicable to a School, including a Satellite Location and a Companion School, subject to the modifications to the Construction Management Fee and Site Development Fee in connection with a Satellite Location noted in the table above, the following fees apply specifically to a Satellite Location if and when you sign a Satellite Location

Amendment. or to a Companion School if and when you sign an Amendment to Franchise Agreement (Modified Fee) designating a location as a Companion School:

Type of Fee[(1)]	**Amount**	**Due Date**	**Remarks**
Satellite Location Fee	$30,000	Payable when you sign the Satellite Location Amendment	You may add a Satellite Location as an additional location under the Franchise Agreement, if you are in good standing under the Franchise Agreement, you demonstrate that you are both financially and operationally qualified to develop and operate a Satellite Location and that the proposed Satellite Location meets our requirements for a Satellite Location, with our prior written approval, which we may grant or withhold in our sole business judgment. You and we will sign a Satellite Location Amendment to add the Satellite Location to the Franchise Agreement.
Satellite Location Assistance Fee	$7,500	Payable upon your receipt of the Opening Invoice for the Satellite Location	We provide modified opening support in connection with the development and opening of a Satellite Location. The franchisees and Designated On-Site Operator for the associated School will also be responsible for overseeing and managing the Satellite Location. You must have one trained full-time director dedicated solely to the Satellite Location and any additional full-time directors we may deem appropriate in our sole business judgment dedicated to the Satellite Location and sufficient dedicated trained staff to meet state childcare licensing requirements. The Satellite Location must obtain a license to operate under applicable state law.
Satellite Location Initial Marketing Fee	$15,000	Payable when you sign the Satellite Location Amendment	We may require you to pay us a Satellite Location Initial Marketing Fee of $15,000 which we determine in our sole business judgment based on our assessment of the Satellite Location's needs.

<u>Explanatory Notes</u>

1. All fees, excluding any refurbishing expenses, lease/mortgage payments and insurance premiums, are imposed by and payable to us unless specifically noted. All fees are non-refundable unless specifically noted; prepaid insurance premiums may be refundable depending on the terms of the insurance policy. The fees listed in this Item 6 are uniform for all prospective franchisees except as stated, including the reduced royalty fee during the first year under our incentive programs for qualifying existing franchisees purchasing a franchise for a new School under a separate Franchise Agreement, the modifications to the marketing fee and site development fee in

connection with a Satellite Location, and except that if we increase one or more fees after you signed a Preliminary Agreement, we will permit you to have the lower fee(s) in effect at the time you signed your Preliminary Agreement apply to your franchise. We may also offer inducements to purchase an existing School that had recently closed or was, in our sole business judgment, in jeopardy of closing as described above.

2. You may sell the School only with our written consent. We may refuse consent to a sale otherwise permissible unless all fees are paid to us. We may increase the initial training and transfer support fee by 10% per year from the date of the Franchise Agreement to the date of any transfer. We will provide the initial training program to the individual approved by us to be the transferee's Designated On-Site Operator and any additional individuals named as parties to the Franchise Agreement that the transferee requests or we require, covered by the fee stated. The initial training programs will be delivered as a blend of online coursework, virtual, live training sessions and, if we choose, in person training at our corporate offices or at another training site we select in accordance with our then current training program. The transferee must pay for expenses during training, including the cost of food, all transportation and lodging costs for any in-person training portion.

3. If you renew the franchise, sell the School, or add individual franchisees to the Franchise Agreement or Assignment and Assumption Agreement, you or the buyers, as applicable, must pay us our costs to obtain background checks (including credit and criminal) on you, on the buyers, on any add-on franchisees and on any existing franchisees who will remain franchisees if we request. The renewal license fee and the franchisee add-on fee both include the cost for background checks for up to two people; you will only pay a background check fee in the event of a renewal or addition of individual franchisees if background checks are required for more than two people. If there is change in your marital status, you must pay us our costs to obtain a background check (including credit and criminal) on any new spouse. If we deem it necessary or desirable during the term of the franchise, including if you develop an Annex or Satellite Location, we also have the right, including through our agent, to conduct additional background checks (including credit and criminal) and you will bear the cost of these additional background checks unless it is a background check we conduct less than five years since the last background check on the individual and the background check is unrelated to your request for an Annex or Satellite Location, renewal, transfer, or the addition of a new spouse or any other individual franchisee. The fee is $1,500 per person. No credit or refund will be granted against the background check fee for two persons covered in the renewal fee or the franchisee add-on fee.

4. We or an affiliate may offer for sale or lease a company-owned or affiliate-owned School. We or an affiliate may also construct Schools and offer to lease the School to you in connection with your purchase of a franchise. You do not have to lease your School from us or our affiliate and you may find a different location and lease the premises and construct your School with third parties. If we or an affiliate offer to sell or lease you a School, the purchase price or rental for the School will vary depending upon a number of factors, including pre-opening hiring and marketing activities, whether the unit is under construction, the amount of construction already performed or the length of time the unit has been open and operating. We and our affiliate expect to derive revenue from the direct lease or sale of the School to you, if applicable, and there is no limit on the amount of profit we or our affiliate may make. We and our affiliate do not intend to negotiate the lease or purchase agreement terms if you lease or purchase a School from us or our affiliate. We and our affiliate and third party landlords may also require you to meet a minimum net worth requirement and sign a personal guarantee. If you do not meet a net worth requirement, we may present another franchisee for the proposed School premises. We will assist you in finding other locations.

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Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Table 1 –If You Lease the School and Landlord Constructs the Improvements

Type of Expenditure	**School** (10,500 square feet to 12,500 square feet) Amount	**Satellite Location** (10,500 square feet to 12,500 square feet) Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial License Fee (1a)	$135,000	Not Applicable	Lump Sum	Deposit of $30,000 when you sign Preliminary Agreement (or sign Franchise Agreement, if no Preliminary Agreement signed); and $105,000 when you receive the Opening Invoice(3)	Us
Satellite Location Fee (1b)	Not Applicable	$30,000	Lump Sum	When you sign the Satellite Location Amendment	Us
Initial Training and Opening Support Fee; Satellite Location Assistance Fee (2)	$35,000 - $42,000	$7,500	Lump Sum	When you receive the Opening Invoice for a School; when you receive Opening Invoice for the Satellite Location(3)	Us
Initial Marketing Fee (4)	$55,000 - $75,000	$15,000	Lump Sum	$55,000 payable when you sign the Franchise Agreement, with balance (if any) payable when you receive the Opening Invoice; $15,000 payable when you sign the Satellite Location Amendment (3)	Us

Type of Expenditure	**School** (10,500 square feet to 12,500 square feet) Amount	**Satellite Location** (10,500 square feet to 12,500 square feet) Amount	Method of Payment	When Due	To Whom Payment is to be Made
Site Development Fee [5]	$35,000	$8,750	Lump Sum	When you receive the Opening Invoice for a School or when you sign the Satellite Location Amendment for the Satellite Location[3]	Us
Background Check [6] (up to four individuals)	$1,500 - $6,000	$1,500 - $6,000	Lump Sum	When you sign the Preliminary Agreement or the Franchise Agreement, or when we request if you develop an Annex or Satellite Location, and as incurred	Us
Convention Deposit	$2,000	$2,000	Lump Sum	When you receive the Opening Invoice for a School or when you sign the Franchise Agreement if you purchase an existing School, and if we elect, when you receive the Opening Invoice for the Satellite Location	Us
Lease Deposit[7.a]	$20,000 - $50,000	$20,000 - $50,000	Lump Sum	When you sign the lease	Landlord
Furniture, Fixtures and Equipment [8][9])	$214,000 - $259,000	$214,000 - $259,000	Lump Sum	When you receive the Opening Invoice for a School or as incurred for direct orders including for a Satellite Location[3]	Us or Outside Suppliers
Playground Equipment [10]	$140,000 - $240,000	$140,000 - $240,000	Lump Sum	As incurred	Third Party Vendor

Type of Expenditure	**School** (10,500 square feet to 12,500 square feet) Amount	**Satellite Location** (10,500 square feet to 12,500 square feet) Amount	Method of Payment	When Due	To Whom Payment is to be Made
Marketing Materials, Stationery, Forms, and Curricular Resources[8]	$6,000 - $7,000	$6,000 - $7,000	Lump Sum	When you receive the Opening Invoice for a School or as incurred for direct orders including for a Satellite Location[3]	Us or Outside Suppliers
Signs [8]	$20,000	$20,000	Lump Sum	When you receive the Opening Invoice for a School or as incurred for direct orders including for a Satellite Location[3]	Us or Outside Suppliers
Computer System, IT Security, network equipment / wireless access point devices, installation, Telephone System, Interactive Flat Panel and Digital Signage Package [8] [11]	$26,000 - $40,000	$26,000 - $40,000	Lump Sum	When you receive the Opening Invoice for a School or as incurred for direct orders including for a Satellite Location[3]	Us or Outside Suppliers
Security System[8]	$15,000	$15,000	Lump Sum	When you receive the Opening Invoice for a School or as incurred for direct orders including for a Satellite Location[3]	Us or Outside Suppliers
Miscellaneous Opening Costs [12]	$98,000 - $108,000	$98,000 - $108,000	Lump Sum, as incurred, or amortized in rental payment	When you receive the Opening Invoice for a School or as incurred for a Satellite Location[3]	Us, Landlord or Third Parties

Type of Expenditure	**School** (10,500 square feet to 12,500 square feet) Amount	**Satellite Location** (10,500 square feet to 12,500 square feet) Amount	Method of Payment	When Due	To Whom Payment is to be Made
Additional Funds – 3 months [13]	$100,000 - $275,000	$100,000 - $275,000	As Incurred	As Incurred	Third Parties
Total Estimated Initial Investment **(14)(15), (16), (17)**	**$902,500 – $1,309,000 (School)**	**$703,750 - $1,083,250** **(Satellite Location)**	(If You Lease the School and Landlord Constructs the Improvements)		

Table 2 –If You Purchase the Land and Build the School

Type of Expenditure	**School** (10,500 square feet to 12,500 square feet) Amount	**Satellite Location** (10,500 square feet to 12,500 square feet) Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial License Fee [1a]	$135,000	Not Applicable	Lump Sum	Deposit of $30,000 when you sign Preliminary Agreement (or sign Franchise Agreement, if no Preliminary Agreement signed); and $105,000 when you receive the Opening Invoice[3]	Us
Satellite Location Fee [1b]	Not Applicable	$30,000	Lump Sum	When you sign the Satellite Location Amendment	Us
Initial Training and Opening Support Fee; Satellite Location Assistance Fee [2]	$35,000 - $42,000	$7,500	Lump Sum	When you receive the Opening Invoice for a School; when you receive Opening Invoice for the Satellite Location[3]	Us

Type of Expenditure	**School** (10,500 square feet to 12,500 square feet) Amount	**Satellite Location** (10,500 square feet to 12,500 square feet) Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Marketing Fee (4)	$55,000 - $75,000	$15,000	Lump Sum	$55,000 payable when you sign the Franchise Agreement, with balance (if any) payable when you receive the Opening Invoice; $15,000 payable when you sign the Satellite Location Amendment (3)	Us
Site Development Fee (5)	$35,000	$8,750	Lump Sum	When you receive the Opening Invoice for a School or when you sign the Satellite Location Amendment for the Satellite Location(3)	Us
Background Check (6) (up to four individuals)	$1,500 - $6,000	$1,500 - $6,000	Lump Sum	When you sign the Preliminary Agreement or the Franchise Agreement, or when we request if you develop an Annex or Satellite Location, and as incurred	Us
Convention Deposit	$2,000	$2,000	Lump Sum	When you receive the Opening Invoice for a School or when you sign the Franchise Agreement if you purchase an existing School, and if we elect, when you receive the Opening Invoice for the Satellite Location	Us

Type of Expenditure	**School** (10,500 square feet to 12,500 square feet) Amount	**Satellite Location** (10,500 square feet to 12,500 square feet) Amount	Method of Payment	When Due	To Whom Payment is to be Made
Land Acquisition Cost (7.b)	$600,000 - $1,400,000	$600,000 - $1,400,000	Lump Sum	Over the term of the mortgage or lease	Third Party
Building Construction and Site Work (7.b)	$3,500,000 - $5,500,000	$3,500,000 - $5,500,000	Lump Sum	As incurred	Third Party Contractor
Building Loan Finance Costs (7.b)	$200,000 - $300,000	$200,000 - $300,000	Lump Sum	As incurred	Third Party Lender
Construction Manager (7.b)	$0 - $50,000	$0 - $50,000	Lump Sum	As incurred	Third Party Contractor
Environmental and Soil Testing (7.b)	$0 - $5,000	$0 - $5,000	Lump Sum	As incurred	Third Party Contractor
Furniture, Fixtures and Equipment (8)(9))	$214,000 - $259,000	$214,000 - $259,000	Lump Sum	When you receive the Opening Invoice for a School or as incurred for direct orders including for a Satellite Location(3)	Us or Outside Suppliers
Playground Equipment (10)	$140,000 - $240,000	$140,000 - $240,000	Lump Sum	As incurred	Third Party Contractor
Marketing Materials, Stationery, Forms, and Curricular Resources(8)	$6,000 - $7,000	$6,000 - $7,000	Lump Sum	When you receive the Opening Invoice for a School or as incurred for direct orders including for a Satellite Location(3)	Us or Outside Suppliers
Signs (8)	$20,000	$20,000	Lump Sum	When you receive the Opening Invoice for a School or as incurred for direct orders including for a Satellite Location(3)	Us or Outside Suppliers

Type of Expenditure	**School** (10,500 square feet to 12,500 square feet) Amount	**Satellite Location** (10,500 square feet to 12,500 square feet) Amount	Method of Payment	When Due	To Whom Payment is to be Made
Computer System, IT Security, network equipment / wireless access point devices, installation, Telephone System, Interactive Flat Panel and Digital Signage Package (8) (11)	$26,000 - $40,000	$26,000 - $40,000	Lump Sum	When you receive the Opening Invoice for a School or as incurred for direct orders including for a Satellite Location(3)	Us or Outside Suppliers
Security System(8)	$15,000	$15,000	Lump Sum	When you receive the Opening Invoice for a School or as incurred for direct orders including for a Satellite Location(3)	Us or Outside Suppliers
Miscellaneous Opening Costs (12)	$98,000 - $108,000	$98,000 - $108,000	Lump Sum, as incurred, or amortized in rental payment	When you receive the Opening Invoice for a School or as incurred for a Satellite Location(3)	Us or Third Parties
Additional Funds – 3 months (13)	$100,000 - $275,000	$100,000 - $275,000	As Incurred	As Incurred	Third Parties
Total Estimated Initial Investment (14), (15), (16)	**$5,182,500 – $8,514,000 (School)**	**$4,983,750 - $8,288,250 (Satellite Location)**	(If You Purchase the Land and Build the School)		

Notes Applicable to Table 1 and Table 2

Except as specifically described in the explanatory notes below, all costs are non-refundable.

The above estimates do not take into consideration any revenue derived during the first 3 months of operation. The above estimates do not include any sales tax, use tax, gross receipts tax, excise tax, or other similar tax or freight and delivery charges. You will reimburse us for any taxes we must pay directly to any taxing authority. You are responsible for any taxes that we do not collect and/or remit on your behalf.

The above estimates are for a typical new School or Satellite Location with a building size ranging from 10,500 square feet to 12,500 square feet. In certain special situations, we may approve a larger building, in which case your costs will be higher. Costs will vary depending upon various factors including the geographic location, the size of the premises, the availability and cost of labor and materials, the condition of the premises and costs your lessor may be willing to assume as a result of lease negotiations.

There are no size limitations on a Satellite Location but a Satellite Location must have a limitation on programming restricting it from serving all age ranges typically served by a School except with our specific written approval which we are not obligated to provide. The above estimates assume that a Satellite Location will be in the same size range as a typical new School, but it could be smaller and as a result certain costs may be lower.

The sizes and uses of any Annex vary greatly. No estimate is provided with regard to any Annex you may add to the associated School.

Explanatory Notes to Table 1 and Table 2

1. a. You must pay us an initial license fee of $135,000 for a School except under our incentive programs discussed below. You must pay a deposit of $30,000 when you sign the Preliminary Agreement. The remaining $105,000 is payable when you receive the Opening Invoice. If, for any reason, you sign a Franchise Agreement without signing a Preliminary Agreement, you must pay $30,000 when you sign the Franchise Agreement and $105,000 when you receive the Opening Invoice. If the Franchise Agreement is covered by a Development Agreement, we will apply $50,000 of the development fee towards the initial license fee, and you must pay the remaining $85,000 according to the timelines described above.

You will pay a reduced initial license fee if you qualify under 1 of our 2 incentive programs described below and more fully in Item 5, which may not be transferred or combined, and which are only offered for new franchise agreements and when no commission is payable to a franchise broker, lead network, or other commissioned party. The table only reflects the standard fee of $135,000. You would need to adjust the estimate if you qualify for 1 of the 2 following discounts:

If you are an existing franchisee purchasing a license for an additional franchise and you are in good standing, we currently offer as a development incentive a reduced initial license fee of $60,000. You pay a deposit of $30,000 when you sign the Preliminary Agreement. The remaining $30,000 is payable when you receive the Opening Invoice. If for any reason, you sign a Franchise Agreement without signing a Preliminary Agreement, you must pay $30,000 when you sign the Franchise Agreement and $30,000 when you receive the Opening Invoice. We may in certain instances waive the requirement that you have a separate Designated On-Site Operator for the additional franchise, for example, you meet certain requirements for proximity of the additional franchise to the existing School.

If you are an honorably discharged veteran of the U.S. Armed Forces purchasing your first franchise, we will reduce the initial license fee by $20,000 to $115,000. If you qualify for the discount, a deposit of $30,000 is payable when you sign the Preliminary Agreement and the remaining $85,000 is payable when you receive the Opening Invoice. If, for any reason, you sign a Franchise Agreement without signing a Preliminary Agreement, you must pay $30,000 when you sign the Franchise Agreement and $85,000 when you receive the Opening Invoice.

If you are purchasing the assets of an existing operating franchise, you will enter into a new franchise agreement with us. Your initial licensing fee will be $40,000. Your acquisition costs will depend largely on the purchase price you pay to the selling franchisee.

The initial license fee is payable to us and is not refundable. The deposit you pay when you sign the Preliminary Agreement is not refundable in whole or in part except we may refund a portion or all of the initial deposit in our sole business judgment if we terminate the Preliminary Agreement and you met your obligations under the Preliminary Agreement including closely adhering to our processes for site development and you deliver a signed termination agreement in a form satisfactory to us, containing a general release in our favor. If you purchase the assets of an existing Goddard School franchise and do not wish to proceed under the Preliminary Agreement, we may, within our sole business judgment, apply the initial deposit towards fees you owe to us in connection with the transfer, provided you meet all of our requirements, including making all payments in connection with the purchase of the assets of the existing franchisee.

1. b. If you add a Satellite Location to the Franchise Agreement, you must pay us a satellite location fee of $30,000, payable when you sign the Satellite Location Amendment. The satellite location fee is not refundable.

2. We charge an initial training and opening support fee of $35,000 except as described below. The fee covers your initial training, opening support provided by the School Support Services department and the Learning & Training team, and additional training as we deem necessary to support a successful opening and enrollment ramp-up. The fee is uniform except for our current policy of (i) charging a reduced fee of $15,000 to existing franchisees in good standing who purchase an additional franchise or in certain circumstances waiving the fee for existing franchisees in return for a substantial reduction of our obligations, and (ii) charging a reduced fee of $25,000 (subject to an annual increase of 10%) to purchasers of the assets of existing franchises. The fee covers initial training and opening support for up to 2 individuals named as parties to the Franchise Agreement. Additional individuals named as parties to the Franchise Agreement may participate in the initial training and opening support but we will charge a fee of $3,500 per additional person. In addition, if the Designated On-Site Operator is not a party to the Franchise Agreement, we will charge a fee of $3,500 for the Designated On-Site Operator to participate in the initial training and opening support. If you add a Satellite Location to the Franchise Agreement, we charge a Satellite Location assistance fee of $7,500. We provide modified opening support in connection with the development and opening of a Satellite Location. If you add a Companion School to the Franchise Agreement we do not provide an initial training program and may or may not provide assistance in connection with the development and opening of a Companion School. Since Satellite Locations require separate directors from the current School, your primary director (and replacements for that primary director) for the Satellite Location must successfully complete our Director Initial Training Cohort Program within our primary director training timeline and pay the then current fee for the Director Initial Training Cohort Program. Additional information regarding the initial training and opening support we provide is described in Item 5, Item 6 and Item 11.

3. About the time you receive a Certificate of Occupancy for the School or for a Satellite Location, we will send you an Opening Invoice. You must pay any amount due immediately by wire transfer. You will receive a second invoice approximately 90 days after opening your School or Satellite Location. The second invoice will reflect any amounts advanced by us on your behalf or paid to us by you for purchases after we issue your first Opening Invoice and will be payable immediately upon receipt.

4. You must pay us an initial marketing fee of: (i) $55,000 if you have up to 130 full-time equivalent enrollment capacity; (ii) $65,000 if you have between 131 to 160 full-time equivalent enrollment capacity; or (iii) $75,000 if you have more than 160 full-time equivalent enrollment capacity. You must pay us $55,000 of the initial marketing fee when you sign the Franchise Agreement and any remaining balance when you receive the Opening Invoice. If you are purchasing the assets of an existing operating franchise, your initial marketing fee will be the initial marketing fee then required of buyers of existing Goddard Schools, currently $15,000, or a different amount based on our review of your proposed plan and assessment of the School's needs. If you add a Satellite Location to the Franchise Agreement, we may require an initial marketing fee of $15,000 if we determine in our sole business judgment based on our assessment of the Satellite Location's needs for the promotion of the School and the addition of the Satellite Location, brand development

and initial advertising related to the addition of the Satellite Location, payable when you sign the Satellite Location Amendment. The initial marketing fee is non-refundable, except as noted, and is paid to us to purchase advertising and promotional placements and services.

5. The $35,000 fee for site development assistance for the School covers our expenses in reviewing the site and building plans for your School, traveling to and from a proposed location, providing demographic and other relevant information and compensates us for assisting you in preparing your financing applications. The site development fee is uniform under the Franchise Agreement, except if you are an existing franchisee in good standing purchasing an additional franchise, the fee is $15,000, and if you are an existing franchisee in good standing amending the Franchise Agreement to add a Satellite Location, the fee is $8,750 for our site development assistance related to the Satellite Location. The fee also covers our legal costs associated with reviewing for compliance with our requirements any legal documents you provide us, as well as our costs in assisting you in obtaining appropriate state or local licenses. Typical sites for a School are on primary and secondary roads, business routes, corporate centers and business parks. The typical zoning classification required for the School can vary depending upon the municipality from residential to commercial. The typical building size for a School currently ranges from 10,500 square feet to 12,500 square feet. In certain special situations, we may approve a larger building, in which case your costs will be higher.

Due to the specific requirements associated with establishing a School by the governmental agencies, state and local ordinances, and childcare licensing and education licensing authorities, most of the Schools are build-to-suit projects. If you do not purchase the land and construct the building yourself and you instead lease the land and building for your School, these sites are developed by third-party entities (i.e. property owners, developers and investors) and the amount of the site development costs are generally part of the overall project, and are calculated into, and amortized over, the initial term of the lease. In some cases, prior to the opening of a School, items necessary for the approval of particular governing bodies will arise as additions not initially calculated in the proposed rent. You will pay for these additional items in one of two ways if you lease. The additional amount will be amortized into the rent and the rent schedule will be adjusted in an addendum to the lease, or you will pay the amount in a lump sum without interest to the developer or landlord. The term of the lease must be at least the full term of the Franchise Agreement, 15 years in the case of the initial Franchise Agreement (5 years in the case of a renewal franchise agreement), which may include option terms. Generally, leases are assignable to your business entity; however, landlords may require that you and your spouse sign or guarantee the lease as individuals. Landlords may also require you to meet a minimum net worth requirement. If you do not meet a landlord's net worth requirement, we may present another franchisee to the landlord. We will assist you in finding other locations.

6. You must pay our costs to obtain a background check (including credit and criminal) on each individual franchise applicant. We collect a background check fee when you sign the Preliminary Agreement of $1,500 per person. We may obtain additional background checks at your expense on each individual franchisee when you apply to develop and operate an additional School or to add an Annex or a Satellite Location to the Franchise Agreement. We may not require an additional background check in our sole business judgment if we have recent background checks. See Item 5.

7. a. If you lease the land and building for your School, you will pay a lease deposit to the landlord, which is typically one month's rent but could be higher depending on the market, and you will pay monthly rent to the landlord. The estimates in Table 1 if you lease the land and building for your School are based on the landlord performing the construction and fit out of the building for your School. If instead you lease the land and building for your School but you are responsible for retrofit or tenant improvement costs, construction costs could range between $600,000 - $3,000,000 and the building loan/finance costs could range between $150,000 - $200,000. These amounts could be higher or lower, depending on the project size and the geographic area in which your School is located.

7. b. If you purchase the land and build the facility for your School, the land acquisition costs and the construction costs could be higher in specific markets or in urban areas. If you finance the cost of the construction project, you will also incur costs in connection with draws under the construction loan and lender related fees that will be listed on your loan documents. These costs could consist of SBA guaranty fees, construction monitoring fees, appraisal and environmental reports, title, attorneys' fees and loan origination fees, if applicable. Costs could be higher or lower depending on the project size and loan type. We will provide prototypes of building plans. The services of a qualified, licensed architect and engineer, who we have approved or designated for use, will be required to adapt our prototype building plans and specifications for the remodeling or finish-out of your School. If we do not require you to use design/build professionals we designate, we may, in our sole business judgment, require that you retain a construction manager we designate or approve for construction management services. We may from time to time develop or approve variations with respect to our prototype locations and plans although we have no obligation to do so. If the current prototype building plans have never been used in the state in which your School will be located, or your School will be located in a retro-fit building, you may have to pay additional fees to the architect and engineer to bring the prototype into compliance with state-specific requirements. You should test the soil for possible environmental contamination before making a commitment to purchase the property. The land seller may have a soil test that the seller could provide to you, and if not, you will need to pay for one. The estimated costs of the architect and engineer are included in the estimated construction soft costs. These cost estimates are highly dependent on the geographic area in which you chose to build and would be higher in an urban area. Because of variances, there can be no assurances that your School could actually be purchased or constructed for an amount equal to or less than the provided estimate. We recommend that you spend money early on in your land acquisition process, but only after we have approved your location, for engineering and testing in order to avoid surprises during the construction phase and require that you have a preliminary soil test performed as noted above. You must also pay annual property taxes which will vary from state to state and year to year. If you or an entity you control own the School premises or acquire the School premises during the term of the Franchise Agreement, including the premises of any Annex or Satellite Location, you (or your affiliated entity) must sign an option to lease agreement and right of first refusal in the form we require. (Section 6A of the Franchise Agreement.) The entity that owns the School premises must be a separate entity from the entity that is the franchisee under the Franchise Agreement. A copy of our current Option to Lease Agreement and Right of First Refusal is attached as **Exhibit C-12** to this disclosure document. You may incur expenses for attorney review of the land acquisition and construction documents and other documents.

8. We will provide you with specifications for the initial furniture, equipment, marketing materials, stationery, forms, curricular resources, signs, a computer system (including all hardware, software and firmware, and IT Security), network equipment / wireless access point devices, telephone system, including telecommunications infrastructure products and support services, interactive flat panel, digital signage and security system required for the opening of the School. You may be required to purchase certain of these items directly from our approved suppliers; other items you may be able to purchase from other sources or through Purchase Orders we issue which we will submit to approved suppliers on your behalf. For items that you can purchase through Purchase Orders (which for a Satellite Location or an Annex include only the computer system and IT Security, and network equipment / wireless access point devices, you will sign our purchase orders ("**Purchase Orders**"). We will submit any Purchase Orders for the School items to the suppliers on your behalf. Sample Purchase Orders for the School are in the form attached to **Exhibit C-2** to this disclosure document. Only Purchase Order #4 will be applicable to a Satellite Location or an Annex. The cost of these items may increase by the time you are ready to open your School, and the items that we will order on your behalf may be different than those currently shown on the Purchase Orders as our requirements may change over time. For the items other than the computer system, IT Security, and network equipment / wireless access point devices for which we do not offer to issue Purchase Orders for a Satellite Location or an Annex, you must order the applicable items for the Satellite Location or Annex meeting our specifications directly from our approved suppliers or request consent to use alternative items or suppliers. If you order the furniture, equipment and materials directly from the supplier, you will pay the supplier according to the supplier's payment terms, which may be when you place the order. The possibility of price increases and

changes in the items you will purchase directly from suppliers is particularly true of any Satellite Location or Annex you may add during the term of the Franchise Agreement. We do not include the attachments containing the list of required items to the sample Purchase Orders because the list of required items is likely to change. The cost of the sign package does not include any additional costs you incur for brick, stone or other base for the sign, all of which will be your responsibility and not the landlord's, developer's or our responsibility. At this time, we do not charge a fee for use of our proprietary software (currently called Franchise Management System (FMS)), but we reserve the right to do so. **Our estimates do not include any state or local sales and use taxes, and, except as specifically stated in the applicable Purchase Order, does not include any shipping, permits, fees or installation charges**.

If you buy any items described in one of our Purchase Orders from a third party and not through Purchase Orders we issue, you must buy all of the items described in that Purchase Order from third parties (and not through a Purchase Order for only some items). We must approve any third party supplier in advance. The amount stated in the Table above represents your estimated cost if you purchase these items through Purchase Orders we issue and may differ if you purchase directly from a third party, including when you are developing a Satellite Location or an Annex (except we will issue Purchase Order #4 to you for a Satellite Location or an Annex for the purchase of computer equipment, IT Security, and network equipment / wireless access point devices. The precise amount will vary depending upon the size of the School and any applicable state regulations. The amount stated may also vary considerably if you purchase these items from any other source due to such factors as shipping distances, installation charges, and price differentials between suppliers.

9. Our estimate for furniture, fixtures and equipment includes the cost of any supplemental equipment that your state may require. Currently 40 states, including Maryland, require supplemental equipment; the cost varies by state.

Our estimate for furniture, fixtures and equipment does not include $10,000 for the cost of additional equipment if your School requires food service (currently required in Alabama, Arizona, Illinois, Indiana, Kansas, Louisiana, Mississippi, Missouri, Oklahoma, West Virginia and the District of Columbia, but not in Maryland, for example).

10. You must purchase the playground equipment from our approved third-party vendor(s). The estimate above does not include turf. If you elect to purchase and install turf in the playground at your School, your costs for playground equipment will be higher than the amounts above.

11. The computer system, including computer hardware, firmware, network infrastructure, IT Security, network equipment / wireless access point devices, telephone, telecommunications infrastructure products and support services, interactive flat panel and digital signage package represents the current needs of a School for these items and services. They are available by ordering through Purchase Orders we issue or from our approved suppliers. You must purchase additional hardware to upgrade the technology as the System may require or as we direct according to the then current IT Hardware Standards as set forth in the Manual.

12. The Miscellaneous Opening Costs are our best estimates of costs for various items including deposits for insurance, gas, electric, pre-opening print and online business listings advertising, including any Internet based advertising, and related items. These costs also include fees for professional services, pre-opening payroll, décor and the cost of purchasing certain miscellaneous equipment and hardware items, including, in part, carbon monoxide detectors, water filters and air filtration units in the classrooms, facsimile machine, refrigerators (including one commercial refrigerator), microwave and convection ovens, office and faculty room furniture, children's software, curricular material, janitorial, kitchen and general supplies, shipping charges (unless specifically stated as included in the applicable Purchase Order and reported in another category of cost) and any sales, gross receipts or other tax, levy or assessment on any payments you make to us. If the premises are leased or subleased directly from us, some of these items may be payable

directly to us on signing of the applicable agreements. These amounts would be refunded under the conditions specified in the applicable agreement.

13. The Additional Funds item (working capital) estimates your initial start-up expenses for a 3-month period. Additional Funds includes monthly rent expenses (if you decide to lease your facility) or loan payments for financing the cost to purchase or build your facility and the amount of property taxes (if you decide to purchase your facility) for the 3-month period. The initial start-up expenses include payroll costs but do not include any draw or salary for you. We do not include any estimate for your Royalty Fee payments or TGS Marketing Fund marketing fees which all depend on the amount of Gross Receipts you receive. These figures include utilities, telephone, legal/accounting expenses, local advertising, materials and supplies, miscellaneous costs and any proprietary software fee if implemented. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the School. This does not take into consideration any revenue derived during the first 3 months of operation.

The time period of 3 months and estimated additional funds are not representations of when you should expect to break even, if ever. You should deposit this amount into your school-specific checking account before the scheduled opening of the School. In some instances, the amounts required to meet your working capital needs will vary significantly.

14. Costs will vary depending upon various factors including the geographic location, the size of the premises, the availability and cost of labor and materials, the condition of the land and/or premises and if you rent the facility, costs your lessor may be willing to assume as a result of lease negotiations. If you lease the land and building for your School but you are responsible for retrofit or tenant improvement costs, your increased costs range from approximately $600,000 to $3,000,000 more than the estimated range in Table 1 and could be higher or lower depending on the project size and the geographic area in which your School is located.

15. We have relied on the experience of Goddard Manager, the former franchisor of School franchises, in offering and selling School franchises for over 20 years, as well as our experience since becoming the franchisor in August 2022, to compile these estimates and on information we and Goddard Manager have obtained from School franchisees. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

16. We and our affiliates do not offer financing directly or indirectly for any part of the initial investment, except that if you purchase items described in one of the Purchase Orders we issue as explained in note 8 above, we or an affiliate will pay the suppliers on your behalf after they issue their invoice and you will pay us or an affiliate when you receive the Opening Invoice. We do not charge you any interest for this service. The estimated initial investment in the above table does not include any finance charge, interest or debt service obligation.

Table 3 –If You Sign a Development Agreement

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee [(1)]	$120,000 to $300,000	Lump Sum	Upon signing the Development Agreement	Us

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Additional Funds – 3 months (per site) (2)	$5,000 to $20,000	As incurred	As incurred	Third Parties
Total Estimated Initial Investment (3)	$130,000 to $400,000			

Explanatory Notes

1. The development fee is $60,000 multiplied by the number of Schools to be developed within the Development Area. We expect the Development Agreement to cover between 2 and 5 Schools. We will apply $50,000 of the development fee toward the initial license fee owed under each franchise agreement that the Development Agreement covers.

2. This amount covers the costs needed to begin looking for sites in the Development Area and for business plan preparation and related expenses during the initial 3-month period after signing the Development Agreement. There is no additional initial investment for training, real property, equipment, fixtures, other fixed assets, construction, remodeling, leasehold improvements, decorating costs, inventory, security deposits, utility deposits, business licenses or other prepaid expenses required under the Development Agreement. You will incur costs for these and other expenses associated with developing and operating a School under the Franchise Agreement.

3. We have relied on the experience of Goddard Manager, the former franchisor of School franchises, in offering and selling School franchises for over 20 years, as well as our experience since becoming the franchisor in August 2022, to compile these estimates and on information we and Goddard Manager have obtained from School franchisees. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. No part of this initial investment is refundable.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your School, including any Annex or Satellite Location, in strict conformity with the methods, standards and specifications we provide. You may not deviate from our standards and specifications by using or offering non-conforming products or differing amounts of any products or non-conforming or different services, without obtaining our prior written consent. You must sell and offer for sale only those services and products which we have expressly approved for sale in writing. We will make available to you our confidential Operating Manual (the "**Manual**"), which consists of operations manuals, videos and materials which contain mandatory and suggested specifications, standards and operating procedures. We may provide the Manual and other information electronically, including by email or by access to an intranet. The Manuals are currently housed on our internal resource site called Goddard Connect. If we change any specification, standard or operating procedure applicable to the operation of your School or change the Proprietary Marks or all or any part of the System, through changes to the Manual or notice to you, you will take all actions, at your expense, to implement these changes.

We will provide you with specifications for the furniture, equipment, supplies and signs required for the School, including any Annex or Satellite Location. Specifications may vary, depending on the characteristics of the School, including the size and square footage of the School and available outdoor learning space. Specifications may include minimum standards for delivery, performance, warranties, design and appearance and local zoning, sign and other restrictions. You may purchase or lease original and replacement equipment, fixtures, signs and supplies meeting these specifications from any source. However, if you propose to purchase or lease any item of equipment or supplies or any fixture or sign not previously approved by us as meeting our specifications, you must first notify us and we may require submission of sufficient specifications, photographs, drawings and/or other information and samples to determine whether this item of equipment or supplies or this fixture or sign meets our specifications. We will advise you within a reasonable time, usually within 15 – 30 days after you have provided all requested information, whether this item of equipment or supplies or this fixture or sign meets our specifications. We do not charge a fee for our review of any proposed equipment, supplies, fixtures or signs. In addition, we reserve the right to require you to purchase specific equipment that we designate from our designated suppliers (which may include or be limited to us or our affiliates).

You must develop and operate the School, including any Annex or Satellite Location, in the manner we prescribe, but you must investigate, keep informed of and strictly comply, at your expense, with all applicable local, state, and federal laws, rules, regulations, ordinances, standards, and directives. With respect to construction, these include requirements concerning licensing; "star" ratings or a point system to designate the quality of the facility; specified minimum indoor and outdoor physical facilities and equipment; food service; shade; access to the School and accommodating student and employee physical limitations (e.g., the Americans with Disabilities Act); health, sanitation, smoking, fire codes, zoning, building codes, and environmental laws. Before you open the School, you must obtain all permits and certifications required to operate the School, including all business or other licenses and all zoning, access, signs and fire permits and approvals.

We maintain a list of approved suppliers for certain products and services. Access to our proprietary software currently called Franchise Management System (FMS) and access to proprietary curricular materials is currently available only from us. FMS is hosted by us on our computer system and access is available only from us, currently without charge, but we reserve the right to charge you a fee in the future. We may require you to purchase the proprietary curricular materials directly from us or a vendor we designate. The proprietary curricular materials you acquire from us may be subject to an additional fee payable to us (in addition to the reimbursement of our costs for any materials we require and acquire for you from a third-party vendor). We and our affiliates currently offer to submit our then-current form of Purchase Orders for certain products and services (including furniture, fixtures and equipment; marketing materials, stationery, forms, curricular resources; sign package; computer system (including all hardware, software and firmware) and network infrastructure, including a router and firewall (IT Security), network equipment / wireless access point devices, telephone, telecommunications infrastructure products and support services, interactive flat panel and digital signage package; and security system package) on your behalf for you to purchase these required items from our approved suppliers as we direct according to the then current IT Hardware Standards as set forth in the Manual. We do not however, offer to issue Purchase Orders for you to purchase these items for an Annex or a Satellite Location, except for a computer system and IT Security, which must always be purchased from our approved supplier as we direct according to the then current IT Hardware Standards as set forth in the Manual. We instead may require that you purchase certain items for an Annex or a Satellite Location other than a computer system and IT Security from our approved suppliers directly or through design/build professionals we designate. Except for items that we or our affiliates expressly state will be charged to you at our cost charged by the supplier, such as your purchases under Purchase Orders we issue, samples of which are attached in **Exhibit C-4**, we and our affiliates may obtain revenue from you and make a profit without any limit on the amount of profit we or our affiliate may make. We do not derive revenue from the sale of these items for which we submit any Purchases Orders to approved suppliers, and we do not derive a profit from the sale of these items, as the price charged by us will not exceed our cost charged by the supplier. We may supervise the installation of equipment and fixtures for which we issue Purchase Orders which we will submit to approved suppliers on your behalf. We will not charge an additional fee for these services.

Except for our proprietary software currently called Franchise Management System (FMS), playground equipment and proprietary curricular materials discussed above, we do not currently designate a sole supplier for any product or service. We may in the future designate an approved sole supplier or approved sole suppliers, including ourselves and our affiliates, for any one or more items, and you will have to purchase from them or us. You will have to pay us or our designated vendor if we implement a charge for use of our proprietary software. We require that you purchase certain products and services from our approved suppliers directly or through design/build professionals we designate. We may offer to issue Purchase Orders for you to sign that we will submit to approved suppliers on your behalf for these items where you purchase these items from our approved suppliers. Our approval or designation of a supplier does not constitute our guaranty or warranty of the supplier or the products or services offered by the supplier.

We and certain of our affiliates are and may be approved suppliers to our franchisees. Officers of our company do not own an interest in any supplier to our franchisees, except that certain officers of our company own indirect interests in our company and in affiliates that may be approved suppliers to our franchisees.

We and you designate in the Preliminary Agreement the area in which the School must be located. We must approve in writing your selection of the site for the School within that area. You should not invest significant time or money developing a site until you receive our written approval. Under the Preliminary Agreement or, if you are not signing a Preliminary Agreement, after our approval of your application and before we sign the Franchise Agreement, we may offer you sites that we or our affiliate have identified, secured, or assisted in securing, and that we have pre-approved within the area in which the School must be located. You may be limited to choosing from those pre-approved sites. Our approval of the location will be limited to a determination that the physical characteristics of the proposed location are suitable for the operation of a School but our approval does not constitute, and may not be deemed, a judgment as to the likely success of a School at the location or a judgment as to the relative desirability of the location in comparison to other locations within or outside the designated area. The use of a designated area to assist in locating your School does not mean that you will have an exclusive territory. You will not have an exclusive territory. We may accept other applications or enter into other Franchise Agreements for Schools within the same designated area.

You may lease your School premises from a third-party landlord or from us or our affiliate (where we or our affiliate own or hold the prime lease for the premises) or you may purchase your School premises from a third party or from us or our affiliate. If you or an entity you control lease your School premises, the individuals or entity on the lease must be the same individuals or entity that is the franchisee under the Franchise Agreement (following a transfer for convenience of ownership by the individual franchisees). If you purchase the School premises, any affiliated business entity that owns the School premises must be a separate entity from the entity that is the franchisee under the Franchise Agreement (following a transfer for convenience of ownership by the individual franchisees). The lease, sublease or purchase agreement with a third party for your School premises must be submitted to us for our approval before you sign them.

In addition, if you lease, sublease or purchase your School premises from us or our affiliate, the rent or purchase price, as applicable, may exceed the amount paid by us or our affiliate to the prime landlord or the person from whom we or our affiliate purchase the premises, as applicable, and thus we or our affiliate may derive revenue from the sublease or sale to you of your School premises. We and our affiliates may also derive revenue if we or they secure or assist in securing the premises of your School for a real estate developer or landlord who may thereafter lease or sell the School premises to you. Further, we and affiliates of ours may in the future offer to provide construction services to you and may make a profit.

If you lease the School premises, including any Annex or Satellite Location, you must sign the collateral assignment of lease and the landlord must sign the consent and agreement of lessor in the form we require. (Section 6A of the Franchise Agreement). A copy of our current Collateral Assignment of Lease and Consent and Agreement of Lessor are attached as **Exhibit C-11** to this disclosure document. If you or an entity you control own the School premises or acquire the School premises, including any Annex or Satellite

Location, during the term of the Franchise Agreement, you (or your affiliated entity) must sign an option to lease agreement and right of first refusal in the form we require. (Section 6A of the Franchise Agreement). A copy of our current Option to Lease Agreement and Right of First Refusal is attached as **Exhibit C-12** to this disclosure document.

If you purchase the land and build the facility for your School, or undertake the construction of any Annex, Satellite Location, or other construction project, we may require that you use design/build professionals we designate. If we do not require you to use design/build professionals, we, in our sole business judgment, may require you to engage and pay a third party construction manager we designate or approve for construction management services in connection with the development and construction of the School or other construction project. This requirement is in addition to the site assistance and development services we provide and the site development fee you pay to us.

You must pay us an initial marketing fee of (i) $55,000 if you have up to 130 full-time equivalent enrollment capacity; (ii) $65,000 if you have between 131 to 160 full-time equivalent enrollment capacity; or (iii) $75,000 if you have more than 160 full-time equivalent enrollment capacity. You must pay us $55,000 of the initial marketing fee when you sign the Franchise Agreement and any remaining balance when you receive the Opening Invoice. If you are purchasing the assets of an existing operating franchise, your initial marketing fee will be the initial marketing fee then required of buyers of existing Goddard Schools, currently $15,000, or a different amount based on our review of your proposed plan and assessment of the School's needs. If you add a Satellite Location to the Franchise Agreement, we may require an initial marketing fee of $15,000 if we determine in our sole business judgment based on our assessment of the Satellite Location's needs for the promotion of the School and the addition of the Satellite Location, brand development and initial advertising. The additional initial marketing fee will be payable when you sign the Satellite Location Amendment. The initial marketing fee is non-refundable, except as noted, and is paid to us to purchase marketing and promotional placements and services. Except as described above, the initial marketing fee is uniform for all persons presently acquiring a franchise.

You must participate in our advertising programs and pay a continuing monthly marketing fee to the national marketing fund for The Goddard School brand, which is called the TGS Marketing Fund. We may designate one or more marketing agencies and/or other suppliers for all national, regional and local marketing. TGS Marketing Fund, LLC now receives the marketing fees paid by franchisees and administers the marketing and promotional programs.

Beginning in 2025, we will require you to apply for and earn School accreditation through a national accreditor we approve or achieve at least second level quality recognition from your state's Quality Rating and Improvement System within 18 months after your School opens for business, or by a later date we determine, and then maintain your accreditation or quality recognition. We estimate the current cost of obtaining accreditation or quality recognition is $2,850 to $3,850. We estimate that you will pay an enrollment fee of $1,000, an application fee of $450, and a candidacy/visit fee of $1,400, but your costs may be higher. These amounts are payable to an approved national accreditor.

You must obtain and maintain insurance, at your expense, as we require, for the School, including any Annex or Satellite Location, if applicable, in addition to any other insurance required by applicable law, your landlord, lender or otherwise. You must purchase and maintain in full force and effect, according to the requirements set forth in the Manual, policies of insurance in the amounts we designate, which are currently:

Coverage	Minimum Limits
Commercial General Liability	$1,000,000 per occurrence/$3,000,000 aggregate
Sexual Abuse & Molestation Liability	$1,000,000 per occurrence/$3,000,000 aggregate

<table>
<tr><th>Coverage</th><th>Minimum Limits</th></tr>
<tr><td>Teachers Professional Liability</td><td>$1,000,000 per occurrence/$3,000,000 aggregate</td></tr>
<tr><td>Corporal Punishment Liability</td><td>$1,000,000 per occurrence/$3,000,000 aggregate</td></tr>
<tr><td>Umbrella Liability</td><td>$10,000,000 per occurrence/$10,000,000 aggregate

Umbrella must extend over:
Commercial General Liability
Sexual Abuse & Molestation Liability
Teachers Professional Liability
Corporal Punishment Liability</td></tr>
<tr><td>Property Insurance</td><td>Must include “special form” coverage with full replacement value coverage on all assets, including inventory, furniture, fixtures, equipment, supplies and other property (including all outdoor equipment) used in the operation of your School. Property insurance must include business income – actual loss sustained – minimum of 12 months required. Franchisees are encouraged to purchase 24 months.

Franchisees with a lease must adhere to the requirements of the lease pertaining to building coverage and/or tenant improvements and betterments.

Many property insurance policies will insure outdoor equipment up to a certain limit. If the full replacement value of your outdoor equipment exceeds the limit of your property insurance policy, you will need to secure a standalone Inland Marine Liability insurance policy. “Inland Marine Liability” means property insurance that covers outdoor property including, but not limited to, AstroTurf, outdoor fences and netting, outdoor lighting, outdoor pools, court surfaces, radio and television antennas (including satellite dishes), signs, trees, shrubs, plants, lawns, playground surfaces (Pout ‘N’ Play), basketball hoops, shade structures (attached and standalone), outdoor classrooms, retaining walls, guardrails, and playground equipment.</td></tr>
<tr><td>Workers’ Compensation and Employers’ Liability</td><td>In amounts prescribed by law</td></tr>
<tr><td>Premises Medical Expense</td><td>At least $15,000</td></tr>
<tr><td>Employment Practices Liability</td><td>In an amount not less than $1,000,000 per occurrence/$1,000,000 aggregate with a Self-Insured Retention of not more than $5,000</td></tr>
<tr><td>Cyber Liability</td><td>$500,000 per occurrence minimum/$1,000,000 aggregate

Cyber Liability must include Media Liability coverage. Producers should place a note in the COI description of operations box under Cyber Liability to clarify if Media Liability coverage is afforded under the Cyber Liability Policy.

Cyber Liability must also include biometric coverage if your school has a biometric access device.</td></tr>
</table>

Coverage	Minimum Limits
Media Liability **Only required if Media Liability is not included in Cyber Liability Policy**	$1,000,000 per occurrence/$1,000,000 aggregate
Automobile Liability	$1,000,000 Combined Single Limit for owned, non-owned and hired vehicles
Student Accident and Health Medical Policy	Including: • Accidental Medical Excess Coverage in an amount of at least $250,000 – policy should have a $0 deductible with the first $100 being primary • Accidental Death Coverage in an amount of at least $10,000 • Accidental Dismemberment Coverage in an amount of at least $20,000 • Dental Coverage in an amount of at least $1,000 with a $500 per tooth maximum coverage

All required policies are to be written on an occurrence basis except for Employment Practices Liability, Cyber Liability and Media Liability, which may be written on a claims made basis (except as prescribed by law). All policies, except for Workers' Compensation, must be written on a primary and non-contributory basis and provide a waiver of subrogation for the entities listed below. Primary and non-contributory insurance means that your insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy. A waiver of subrogation is a provision that prohibits insurers from seeking redress from a third party.

The entities below must also be named as additional insureds. All insurance policies shall contain an endorsement which provides that only actual notice to insured, if an individual, or to any executive officer of insured, if a corporation, shall constitute knowledge of the insured.

(1) Goddard Systems, LLC
(2) Goddard Franchisor, LLC
(3) Goddard Holding Guarantor, LLC
(4) Goddard Funding, LLC

You or your third party contractor or developer must purchase and maintain in full force and effect, according to the requirements set forth in the Manual, during any construction, renovation or remodeling work on the School premises the following types and amounts of insurance policies, all on an occurrence basis:

(1) For sites that are unoccupied and not immediately adjacent to an occupied site, Commercial General Liability ("**CGL**") in an amount not less than $1,000,000 per occurrence and $1,000,000 aggregate, with an umbrella policy of not less than $2,000,000 per occurrence and $2,000,000 aggregate.

(2) For sites that are occupied or immediately adjacent to an occupied site, CGL in an amount not less than $3,000,000 per occurrence and $3,000,000 aggregate, with an umbrella policy of not less than $5,000,000 per occurrence and $5,000,000 aggregate.

(3) Workers' Compensation and Employers' Liability in amounts prescribed by law covering all personnel working on the construction site.

(4) Builder's Risk/Installation insurance in an amount reasonably satisfactory to us. The Builder's Risk/Installation insurance must, at a minimum, cover a reasonable estimate of the cost of construction or renovation (as applicable).

(5) Job Name and Location with full address must be supplied in the Description of Operations/Locations box on the Certificate of Insurance.

(6) The following entities must be named as an additional insured:

- Goddard Systems, LLC
- Goddard Franchisor, LLC
- Goddard Holding Guarantor, LLC
- Goddard Funding, LLC

You must furnish us and all other persons we designate, certificates issued by each of your insurers indicating that all required insurance is in full force and effect and that each insurance policy shall not expire or be terminated or changed without giving us written notice at least 30 days in advance. Within five days of our request, you must deliver to us a copy of all insurance policies for examination.

All required insurance policies must cover the School, including any Annex or Satellite Location, if applicable, be in the form and with the coverage amounts as we reasonably determine and must be with companies having a rating of A- or better as determined by A.M. Best and Co. or comparable rating by another nationally recognized rating organization. All companies must be licensed in the state the school is located and must be acceptable to us.

At least 10 days before you begin any construction and when you receive your Certificate of Occupancy (or before the effective date of transfer of the School to you, if applicable), you must furnish us with the required insurance certificates.

You must furnish certificates evidencing the CGL coverage, Builder's Risk/Installation coverage if applicable and also Workers' Compensation and Employers' Liability carried by the applicable employer for all personnel working on the construction site before construction can begin.

In addition, there may be insurance requirements mandated by the landlord and the regulatory authority in the state in which the School operates. You must ensure that both our requirements and those of the landlord and the state are obtained and maintained throughout the term of the Franchise Agreement. We will specify the type and amount of insurance in the Franchise Agreement, the Manual, through changes to the Manual or notice to you, or otherwise in writing. We may change the required insurance coverage and/or minimums at any time upon 30 days' written notice to you. Any breach of insurance coverage constitutes a breach of the Franchise Agreement.

If you do not purchase and maintain in effect the required policies of insurance, we may secure coverage for you and may charge a reasonable fee for our services, including our costs and expenses.

You must purchase a computer system including all hardware, software and firmware, network infrastructure including a router and firewall (IT Security), network equipment / wireless access point devices, and telecommunications infrastructure products and support services, interactive flat panel and digital signage for the operation of the School. We do not derive revenue from your purchase of these items if we submit your Purchase Orders to the approved suppliers on your behalf, we do not currently charge you for our proprietary software, and we do not make a profit on these items you do purchase through Purchase Orders we issue or on our proprietary software. The computer system and IT Security must be purchased through Purchase Orders we issue or from our approved suppliers as we direct according to the then current IT Hardware Standards as set forth in the Manual.

We may provide you with information technology maintenance and support services and charge you a reasonable fee if we determine in our sole business judgment that the services we are providing to you are in excess of the general level of services we then provide to franchisees.

In 2023, neither we nor Goddard Manager nor its affiliates, recognized any revenue in accordance with U.S. Generally Accepted Accounting Principles in connection with required sales or leases or services to

School franchisees. Any revenue we or our affiliates received from franchisees in connection with Purchase Orders is pass-through and therefore is not recognized. In 2023, our affiliate, TGS Marketing Fund, LLC, did not receive any discounts or commissions in connection with the placement of advertising nor derive any income from its purchases and placement of advertising but may do so in the future. Approximately 95% of your total purchases in connection with the establishment of your School and approximately 5% of your overall purchases in operating the School must be purchased through Purchase Orders we issue, from approved suppliers or in accordance with our standards and specifications.

In 2023, neither we nor our affiliates received any payments from any suppliers because of their transactions with School franchisees. We may, in the future, receive fees and other payments from suppliers and others in connection with your purchases and we may use the fees for our own purposes. Suppliers do, however, pay booth fees and/or may sponsor events to participate in our franchisees' and/or directors' conventions. The suppliers' payments may subsidize our costs to hold the convention.

We may negotiate purchase arrangements with suppliers, including price terms and product allocation reservations, for your benefit, but we are not obligated to do so. We do not provide any material benefits to you, for example, renewal rights or granting additional franchises, based on your purchase of particular products or services or use of particular suppliers. There are no purchasing or distribution cooperatives.

Under the Development Agreement, each site is subject to our acceptance. The site must meet our then current site selection standards. Otherwise, the Development Agreement does not require you to buy or lease from us or designated or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items to establish or operate the business under the Development Agreement. However, you must follow our requirements under the franchise agreement for each School you develop.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement*	Disclosure Document Item
a. Site selection and acquisition/lease	Section 1 of the Preliminary Agreement; Section 6A of the Franchise Agreement; Sections 1.E. and 3 of the Development Agreement	Items 6, 7, 8 and 11
b. Pre-opening purchases/leases	Sections 6A, 6B and 16D of the Franchise Agreement	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Section 6 of the Franchise Agreement	Items 7 and 11
d. Initial and ongoing training	Sections 6D, 6E and 6F of the Franchise Agreement	Item 11
e. Opening	Not Applicable	Not Applicable
f. Fees	Section 4 of the Preliminary Agreement; Section 2 of the Termination of Preliminary Agreement and Mutual Release; Sections 2B(6), 4, 5, 6A, 6L, 6P, 6T, 10, 11, 12B, 12I, 14D, 15, 16, 18, 23E of the Franchise Agreement; Section 3 of the Termination of Franchise Agreement and Mutual Release; Sections 2 and 7.H. of the Development Agreement	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Sections 6B, 6C, 6G, 6H, 6M, 6N, 6O, 6P, 6Q, 6R, 17C, 17D, 17E of the Franchise Agreement	Items 11 and 16

Obligation	Section in agreement*	Disclosure Document Item
h. Trademarks and proprietary information	Sections 7, 8 and 9 of the Franchise Agreement; Sections 1.D. and 6 of the Development Agreement	Items 13 and 14
i. Restrictions on products/services offered	Sections 6B and 6I of the Franchise Agreement	Items 8, 11 and 16
j. Warranty and customer service requirements	Section 6H of the Franchise Agreement	Not Applicable
k. Territorial development and sales quotas	Sections 1 and 3 and Exhibit A of the Development Agreement	Item 12
l. On-going product/service purchases	Sections 6G and 6L of the Franchise Agreement	Item 8
m. Maintenance, appearance, and remodeling requirements	Section 6G of the Franchise Agreement	Not Applicable
n. Insurance	Section 11 of the Franchise Agreement	Item 6
o. Advertising	Section 5 of the Franchise Agreement	Items 5, 6, 7, 8 and 11
p. Indemnification	Section 12C of the Preliminary Agreement; Section 18C of the Franchise Agreement; Section 11 of the Development Agreement	Not Applicable
q. Owner's participation/ management/staffing	Section 16A of the Franchise Agreement	Item 15
r. Records and reports	Sections 6L, 9B, 10 and 17 of the Franchise Agreement	Item 6
s. Inspections and audits	Sections 6R and 10 of the Franchise Agreement	Item 6
t. Transfer	Sections 3E and 6 of the Preliminary Agreement and Section 12 of the Franchise Agreement; Section 7 of the Development Agreement	Items 15 and 17
u. Renewal	Section 5A of the Preliminary Agreement; Section 2 of the Franchise Agreement	Item 17
v. Post-termination obligations	Section 7 of the Preliminary Agreement; Section 14 of the Franchise Agreement	Item 17
w. Non-competition covenants	Section 3 of the Preliminary Agreement; Section 16 of the Franchise Agreement; Section 9 of the Development Agreement	Item 17
x. Dispute resolution	Section 10 of the Preliminary Agreement; Section 23 of the Franchise Agreement; Section 16 of the Development Agreement	Item 17
y. Other: Guarantee of franchisee obligations	Section 12D of the Franchise Agreement; Assignment and Assumption Agreement (attached as **Exhibit C-13**)	Items 1, 15 and 17

*References to the Franchise Agreement in this Item 9 include references to the Franchise Agreement (Renewal) unless specifically stated.

Item 10

FINANCING

You are responsible to set up your own financing arrangements; however, we have a Finance Department that can assist you in the preparation of financial applications to lending institutions. We will not derive revenue from any third party for this assistance.

We and our affiliates do not offer or arrange direct or indirect financing, except that if you purchase certain initial furniture, equipment, computer system, IT Security and other items and materials through

Purchase Orders we offer to issue and submit to approved suppliers on your behalf as described in one of our Purchase Orders for a School (other than a Satellite Location or an Annex), which we estimate in the aggregate total $281,000 – $341,000, we or an affiliate will pay the suppliers on your behalf after they issue their invoice and you will pay us or an affiliate when you receive the Opening Invoice. You may purchase a computer system, IT Security, and network equipment / wireless access point devices as described in Purchase Order #4 with an estimated cost of $26,000 to $40,000 for a Satellite Location through Purchase Orders we issue on the same basis. We do not charge you any interest, take a security interest in the items or impose any prepayment penalty. We require that you sign the Purchase Orders and the Franchise Agreement, and we will have all of our rights under the Franchise Agreement if you fail to make payment to us. If you fail to pay us following receipt of our Opening Invoice, you will be in default under the Franchise Agreement, which may lead to loss of the franchise and termination of the Franchise Agreement, subject to any right you may have to cure. We will be entitled to interest compounded monthly from the due date at 1.5% per month or the maximum legal interest rate, whichever is lower, and our collection costs, including attorneys' fees, court costs and expenses. We do not require that you waive notice or confess judgment, but you do waive your right to jury trial and punitive, exemplary or consequential damages and you may not consolidate any dispute with a claim of any other franchisee, individual or entity and you may not pursue any class claims. (Franchise Agreement and Franchise Agreement (Renewal), Section 4C, Section 13.B and Section 23).

We and our affiliates do not guarantee any of your financing, lease or any other obligations. We and our affiliates do not receive direct or indirect payments for placing financing with any other lender.

There is no past or present practice, and we do not have a present intent to sell, assign or discount, to any third party your promissory note, contracts or your other obligations, in whole or in part, but we reserve the right to do so at any time. If we sell, assign or discount your obligations to a third party, the third party may be immune under the law to any defenses to payment you may have against us.

Item 11

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

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

As noted in Item 1, we are party to a management agreement with Goddard Manager for the provision of support and services to School franchisees. Goddard Manager will have the authority to exercise many of our rights and perform many of our obligations under the Franchise Agreement and Preliminary Agreement. Although we have delegated our rights and responsibilities to Goddard Manager, we remain ultimately responsible for all of the support and services required under the Franchise Agreement and Preliminary Agreement. References to "we" or "us" shall include and/or mean Goddard Manager on our behalf, as applicable.

Pre-Opening Assistance

If you sign the Development Agreement, then before you begin operating your business under that agreement, we will:

(a) Determine the Development Area within which you will look for School sites. (Section 1.A. of the Development Agreement.)

(b) Determine the number of Schools that you must open in the Development Area under the Development Schedule attached to the Development Agreement. (Section 1.A. of the Development Agreement.)

(c) Determine the Development Schedule and the deadlines by which you must open and begin operating each School to be developed under the Development Agreement. (Section 1.A. of the Development Agreement.)

Under the Franchise Agreement, before you open your School, we will:

(a) Designate the area in which you may seek and select a site for your School. (Preambles to the Preliminary Agreement.)

(b) Expend time and effort and incur expenses as reasonably required to inspect a site you propose and assist you to secure the lease or purchase of a location. (Section 2 of the Preliminary Agreement.)

(c) Provide you with the specifications for the initial and replacement supplies, equipment, and exterior and interior signs required for the School. (Section 3D of the Franchise Agreement.)

(d) Expend time and effort and incur expenses as reasonably required to review and approve all construction plans, site plans, blueprints and other information; provide prototypes of building plans. (Section 2D of the Preliminary Agreement; Section 6A of the Franchise Agreement and the Franchise Agreement (Renewal)).

(e) Provide for opening promotion, brand development, public relations, and initial marketing for the opening of the School, subject to applicable law. (Section 3B of the Franchise Agreement.) (But not required under Section 3B of the Franchise Agreement (Renewal) because your School has been open and in operation. Some states may impose restrictions on marketing, including prohibiting marketing before you receive a license to operate or begin operation of your School.

(f) Make available to you the Manual during your training. If you are renewing a Franchise Agreement, we continue to make the Manual available to you. (Sections 3E and 8 of the Franchise Agreement and the Franchise Agreement (Renewal)). The Manual is described below.

(g) Provide assistance and help support with school specific and local marketing efforts and management of leads using tracking systems we deem appropriate in our business judgment. Our support may be primarily by telephone or electronic communication, including email. (Section 3H of the Franchise Agreement.)

(h) Provide an initial training program to up to 2 individuals named as parties to the Franchise Agreement for the initial training and opening support fee. We will also provide an initial training program to individuals we have approved to serve as your Designated On-Site Operator and additional individuals who are parties to the Franchise Agreement for additional fees. The initial training programs will be delivered through a blend of online course work, virtual, live sessions and in person training at our corporate offices or at another training site we select in accordance with our then current training program. You must pay for the expenses of all individuals during training, including the cost of food, all transportation and lodging costs for any in-person training portion. (Section 3A of the Franchise Agreement.) (But not required under Section 3A of the Franchise Agreement (Renewal) because your School has been open and in operation. We are also not required to provide an initial training program for the Designated On-Site Operator with regard to the addition of a Satellite Location or a Companion School to the Franchise Agreement because your trained individuals running operations for the associated School will also be responsible for overseeing and managing the Satellite Location and/or the Companion School. (Section 4B of Satellite Location Amendment; Section 3 of the Amendment to Franchise Agreement (Modified Fee)).

(i) Provide training on our proprietary program, platform and reporting (Section 3.A. of the Franchise Agreement.)

(j) Provide proprietary curricular materials or designate a vendor to provide such materials (Section 6.B. of the Franchise Agreement.)

Post-Opening Assistance

If you sign the Development Agreement, then during your operation under that agreement, we will:

(a) If we identify or receive an acceptable proposal from a third party with respect to a site suitable for the operation of a School, and (1) you are in substantial compliance with the terms and conditions of the Development Agreement (including the Development Schedule), all franchise agreements executed under the Development Agreement, and any other franchise agreements between you or any of your principals and us; and (2) you then possess adequate financial, operational and managerial resources to operate a School at the site, as determined by us, you will have a right of first refusal to enter into a franchise agreement with us to establish and operate a School at the site. Within 15 business days of our approval of a site or approval of an acceptable proposal from a third party regarding a site, we will provide you with notice of the existence of the site, including a copy of the completed "Notice of Goddard Site Approval Form" and a copy of our then-current Franchise Disclosure Document. (Section 1.E. of the Development Agreement.)

(b) Accept or reject sites proposed by you. We will expend such time and effort and incur such expense as may be reasonably required in our sole business judgment to inspect sites submitted by you. We will have 60 days after receipt of the description of the proposed site and other information and materials from you to accept or reject, in writing, the proposed site for development as a School. If we accept a proposed site, we will provide you with a copy of our then-current Franchise Disclosure Document and proposed franchise agreement concurrently with the written notice of approval. If we do not reject a proposed site by written notice to you within 60 days, such site will be deemed rejected by us. We will not unreasonably withhold acceptance of a site that meets our standards for general location and neighborhood, traffic patterns, size, layout and other physical characteristics, rental, lease terms including duration, and general conditions for use as a School. Our acceptance of a site will not constitute a judgment as to the likelihood of success of the School at such location or a judgment as to the relative desirability of such location in comparison to other locations within the Development Area. (Sections 3.B., 3.E., and 5 of the Development Agreement.)

(c) Provide you with township approval process consultation as we may deem advisable. (Section 5 of the Development Agreement.)

Under the Franchise Agreement, during your operation of your School, we will:

(a) Provide continuing advisory assistance for the operation of the School as we deem appropriate. (Section 3C of the Franchise Agreement.)

(b) Expend time and effort and incur expenses as reasonably required to review and approve all construction plans, site plans, blueprints and other information; provide prototypes of building plans. (Section 6A of the Franchise Agreement and the Franchise Agreement (Renewal)).

(c) Administer the marketing fees paid by you to the TGS Marketing Fund (Section 3G of the Franchise Agreement) and spend all marketing fees for marketing, promotion and other permitted uses (including operating costs and proportionate compensation of our and our affiliates' employees). (Section 5 of the Franchise Agreement.)

You will pay us a continuing monthly marketing fee for the TGS Marketing Fund (the "**TGS Marketing Fund**" or the "**Fund**") in the amount of 4% of Gross Receipts of the School, including the Gross Receipts derived from any Satellite Location or Annex. We may assess a continuing monthly marketing fee in a lesser amount than the amount we have the right to assess if we determine, in our sole business judgment, that the lesser amount will purchase an appropriate level of marketing for the brand or the TGS Marketing Fund, provided that assessment of a lesser amount does not constitute a waiver of our right to assess the full amount. Unless required by applicable law, we will have no obligation to create a trust account, escrow account, or other special account for the TGS Marketing Fund, and the monies comprising the TGS Marketing Fund may be placed in our general account(s) if we desire. No fiduciary duty is created by the existence of the TGS Marketing Fund. We intend the TGS Marketing Fund to be of perpetual duration, but we maintain the right to terminate the TGS Marketing Fund or to create new accounts or merge accounts. We will not terminate the TGS Marketing Fund until all money in the TGS Marketing Fund has been expended for marketing, promotion or other appropriate purposes or returned to contributors on the basis of their respective fees. (Section 5B of the Franchise Agreement).

All monthly marketing fees will be payable at the same time as the monthly royalty fee. We may designate an affiliate to administer the TGS Marketing Fund and/or marketing and promotional programs for us, and may transfer to our affiliate all or a portion of the marketing fees paid by you, and we may direct you to pay all or a portion of your monthly marketing fees directly to our affiliate. We or our affiliate will direct all marketing, promotion or other appropriate uses to be undertaken through the use of the TGS Marketing Fund in our or our affiliate's sole business judgment. We or our affiliate will have control over all creative concepts, materials and media used in all programs and the placement and allocation of all programs. Neither we nor our affiliate has an obligation to spend any or all of the marketing fees within the period or the year collected. We may use the fees for marketing for future time periods, or to reimburse us or our affiliate for expenses incurred before collection of the marketing fees from you or other franchisees. Marketing fees are non-refundable. We or our affiliate may receive and retain discounts or commissions from the placement of marketing. We may estimate your Gross Receipts and collect estimated continuing marketing fees if you fail to report your Gross Receipts on a timely basis. (Section 5B of the Franchise Agreement).

You will acknowledge our right to pay from the marketing fees collected all costs and expenses related to the formulation, development, production, media and all other costs of marketing and promoting The Goddard School® brand including operating expenses and the proportionate compensation of our and our affiliates' employees who devote time and render services in the conduct, formulation, development and production of marketing and promotion programs or who administer these funds. These marketing and promotion costs and expenses may include website development and costs, web-based marketing development, intranet development and costs, reputation management, marketing automation tools, email marketing, public relations, digital and non-digital media vehicles, content management software, licensed content and imagery, SEO software, agency fees, toll-free school locator costs, fees for consultants to assist with strategy development, research, general marketing and system projects, and costs and fees related to the research and development of potential products and services, materials and other services intended to promote The Goddard School® brand or increase School enrollment such as surveys, mystery shops, teacher recruitment and retention, and other activities intended to promote the goodwill of the brand or System. You will further acknowledge that marketing fees payable under the Franchise Agreement will <u>not</u> be used to pay for your print and online business listings advertisements or the costs of any services that you engage directly and that we or our affiliate do not provide, for example, social media placement firms (see below). We will spend all marketing fees for media and advertising as described above on a national, regional and/or local basis. No percentage of the marketing fees collected is used for advertising that is principally a solicitation for the sale of franchises but we reserve the right to include a message or statement in any marketing indicating that franchises are available for purchase and related information. (Section 5B of the Franchise Agreement).

The media we use for marketing may include a broad range of digital and non-digital promotional channels. Currently, marketing is conducted through systemwide, and individual school programs. Our affiliate TGS Marketing Fund, LLC, whose sole business is to administer the TGS Marketing Fund, is our advertising agency and the source of the advertising. In 2023, marketing fees were used as follows: approximately 75% for media placement and promotional items supplied to the Schools and approximately 25% was retained to compensate our affiliates for costs and expenses associated with the formulation, development, and production of marketing and promotion (including operating expenses and the proportionate compensation of employees) and commissions. (These percentages are unaudited). Except where market conditions, contractual obligations or other circumstances require different contributions, all our franchisees are currently obligated by contract to contribute at the same rate except that we may collect a lesser amount than required as described above without waiving our right to collect the full amount due under the Franchise Agreement. Any Schools we or our affiliates operate will contribute at a similar rate.

You will agree that marketing and promotion conducted by us is intended to maximize general public recognition and patronage of Goddard Schools in the manner that we determine in our sole business judgment to be most effective. Therefore, we undertake no obligation to develop, implement or administer the marketing programs to ensure that your School will benefit directly or in proportion to the amount you contribute from the placement of marketing. We do not have to spend any amount on advertising in the area or territory where your School is located. If you request in writing, we will provide an annual statement of receipts and disbursements of the TGS Marketing Fund. The TGS Marketing Fund receipts and disbursements are not subject to audit. You may have to purchase marketing materials produced by the Fund or by us or our affiliates; we, our affiliates or the Fund may make a profit on the sale. (Section 5B of the Franchise Agreement.)

You will acknowledge the need to market and promote your business on a local basis in accordance with our then current guidelines and standards, which are in the Manual. Accordingly, you will agree to execute school specific marketing and advertising, however the payment of these services will be your sole responsibility. You will agree that your obligation to execute school specific marketing and advertising under this Agreement is not diminished notwithstanding the actual amount of expenditures by other franchisees of ours, or of default of this obligation by any other franchisees. We may designate one or more marketing agencies and/or other suppliers for all national, regional and local marketing and you must engage the designated agencies and/or other suppliers for local marketing if we do so. (Section 5C of the Franchise Agreement).

We will secure the telephone number and listing for your School including any approved Annex or Satellite Location. Either we or you will own the telephone number depending on the telephone service you choose. Typically we will own the telephone number in the case of a landline, but you will own the telephone number in the case of VOIP (Voice Over Internet Protocol) telephone service and certain other telephone service options. You will notify us in writing of all telephone numbers and telephone service providers used by the School, including any approved Annex or Satellite Location, and you will promptly notify us in writing of any change or addition of telephone numbers and telephone service providers for your School. At your request, we will consider and may, in our sole business judgment, contract for any changes for telephone service providers of your School if we own the telephone number. We will have the right to control all business listings advertising, including any Internet based advertising. We will determine, in our sole business judgment, the size of display advertisements and the type of advertisements to be placed in all business listings advertisements. You must pay the telephone company directly for all telephone numbers you own or use. You must also reimburse us upon your receipt of an invoice from us, for all telephone bills we may pay with respect to telephone service and telephone number(s) used by your School (whether or not you own the telephone number(s) or have direct responsibility to the telephone company.) We will place all print and online business listings advertising for you and other franchisees of the System. (Section 5D of the Franchise Agreement).

You must conduct all marketing and promotion of any type in a dignified manner and will conform to the standards and requirements we prescribe. You will submit to us, for our approval, samples and descriptions of all marketing and promotional plans, webpages, electronic content, emails, signs, materials and methods of delivery that you desire to use and that have not been prepared or previously approved by us. You will not use any marketing or promotional plans, webpages, electronic content, emails, materials or methods of delivery or posting unless and until you have obtained approval from us, and you will not use any marketing or promotional program that was approved by us more than 12 months before your planned date of publication, posting, delivery or use, without first receiving our written approval to use or publish those materials. At our request, you will include a message or statement in any advertisement, including any signs you purchase at your expense, indicating that franchises are available for purchase and related information. (Section 5E of the Franchise Agreement).

You will not develop, own or operate any website, webpage, domain name, email address or other identification of your School using the Proprietary Marks or otherwise referring to your School without our prior written consent, which we are not obligated to provide. The restrictions on your marketing described above include any electronic medium for communication, including websites, webpages, email, texting, blogs and social networking sites. (Section 5F of the Franchise Agreement).

The telephone numbers we secured and will provide to you, or that you secure and own and identify to us in written notice, will be the only telephone numbers used in all marketing in any medium, including any toll-free line. You will not own any toll-free lines without our written approval. (Section 5G of the Franchise Agreement).

The Franchise Agreement does not contain a provision authorizing us to form, change, dissolve or merge marketing cooperatives. We do not currently have any marketing cooperatives. We do currently have a marketing input group that advises us on advertising policies. Our franchisees may volunteer to serve on the marketing input group. The marketing input group serves only in an advisory capacity and has no operational or decision-making power. We have the authority to form, change, or dissolve the marketing input group.

(d) Provide assistance and help support with school specific and local marketing efforts and management of leads using tracking systems we deem appropriate in our business judgment. Our support may be primarily by telephone or electronic communication, including email. (Section 3H of the Franchise Agreement.)

(e) In an effort to maximize the efficiency of marketing and promotions, we may purchase marketing or otherwise advance funds on your behalf in advance of your initial marketing fee or otherwise. We will be entitled to full reimbursement of any amounts we advanced on your behalf upon our request and immediately if the Franchise Agreement is terminated, expires or is transferred. (Section 5H of the Franchise Agreement.)

(f) We will make available to you the Manual containing mandatory and suggested specifications, standards, operating procedures and rules as we require, as well as information relative to your other obligations under the Franchise Agreement and to the operation of the School. (Sections 3E and 8 of the Franchise Agreement.) The Manual is described below.

(g) We will use our commercially reasonable efforts to maintain high standards of quality, appearance, professionalism and service of the System and to that end will conduct periodic inspections of the School, as we deem advisable. (Section 6F of the Franchise Agreement.)

(h) We will make available any other training programs as we deem appropriate. (Section 3A of the Franchise Agreement.) We may require you to engage in and complete additional training programs, as described in this Item 11. We are unable at this time to estimate the cost you may incur for your attendance at these additional training programs, if in-person attendance is required. (Section 6E of the Franchise Agreement.)

(i) Provide you with the specifications for the supplies, equipment, and exterior and interior signs required for the School. (Section 3D of the Franchise Agreement.)

(j) Provide you with education quality standards for operating a high quality educational program (Section 6.I. of the Franchise Agreement.)

Computer Requirements

You must keep books and business records according to our formats, including for any Annex or Satellite Location. (Section 10 of the Franchise Agreement.) In addition, before you open your School or any Annex or Satellite Location, you must buy a computer system, including all hardware, software and firmware and network infrastructure, including a router and firewall (IT Security), network equipment / wireless access point devices, a telephone system, including telecommunications infrastructure products and support services, that meet our then-current requirements according to the then current IT Hardware Standards as set forth in the Manual. Any Annex or Satellite Location will have a computer system, IT Security, network equipment / wireless access point devices, and telecommunications infrastructure products and support services on the premises, but they will be integrated with and not separate from the computer system, IT Security network equipment / wireless access point devices, and telecommunications infrastructure products and support services installed at the associated School, including our proprietary software (currently called Franchise Management System (FMS)) and website systems, but we may require that you be able to identify Gross Receipts and costs associated with any Annex or Satellite Location. (Section 6M of the Franchise Agreement.) Our current minimum hardware requirements follow. These requirements will change as technology changes.

1. A desktop or laptop system that includes minimally an I5 processor, 8 GB of RAM, a monitor, keyboard and mouse (if desktop system), 250 GB Hard Drive, Network Interface Card and/or WiFi adaptor, and is equipped with Microsoft Windows 10 or above, and Endpoint Detection and Response (EDR) software installed and enabled. You may need to periodically purchase additional hardware to support the system we require; Windows 10, Endpoint Detection and Response (EDR) software and other software products must be covered under a maintenance agreement and you are required to maintain currency of all software per manufacturer requirements.

2. An iPad Air 2 or later, or a Surface tablet that includes minimally an I3 processor, 4 GB of RAM, 250 GB Hard Drive, Network Interface Card and/or WiFi adaptor, and is equipped with Microsoft Windows 10 or above, and Endpoint Detection and Response (EDR) software installed and enabled. You may periodically be required to purchase additional hardware to support this system; Windows 10, IOS, Android, Endpoint Detection and Response (EDR) software and other software products must be covered under a maintenance agreement and you are required to maintain currency of all software per manufacturer requirements.

3. You must use our proprietary software currently called Franchise Management System (FMS) and any other proprietary or designated software we may require from time to time, including the Wonder of Learning Digital Platform. The FMS has been developed to record student information and handle accounts receivable, cash receipts, staff scheduling and management reports for your internal use. The FMS also provides statistical data which we may periodically require. We do not currently charge a fee to license this software, but we reserve the right to do so in the future and we may require that you pay us directly or a vendor.

4. You must have high-speed internet access for your School, minimum download speeds of 25 Mb and upload speeds of 10 MB. Larger schools will require additional bandwidth.

5. Network Infrastructure – If you are opening a new School, a small business class network infrastructure capable of wired ethernet and wireless (wifi) connectivity with a router/firewall purchased through Purchase Orders we issue or from our approved supplier, configured by us or the supplier. Content filtering/parental controls must be enabled to ensure safe internet usage.

If you are purchasing an existing School, a small business class network infrastructure capable of wired ethernet and wireless (wifi) connectivity with a router/firewall purchased through Purchase Orders we issue or from our approved supplier, configured by us or the supplier if necessary (depending on the age of the capabilities of the existing equipment, at our discretion). Content filtering/parental controls must be enabled to ensure safe internet usage. The required IT equipment inventory survey will be conducted early in the transfer process to assess whether any equipment upgrades are required. The cost for the survey is estimated to be $700. Any required upgrade to the network and/or the equipment identified in the IT equipment inventory survey must be completed. The estimated cost for such upgrade(s) is $5,000 to $7,000.

The estimated cost for the computer hardware, software, firmware, network infrastructure (IT Security), network equipment / wireless access point devices, telephone, telecommunications infrastructure, installation services for the IT network and computer equipment, interactive flat panel and digital signage package is $26,000 - $40,000 if you purchase through Purchase Orders we issue. See Purchase Order #4 in **Exhibit C-4**.

Under the terms of the Franchise Agreement, we have the right to charge a reasonable systems fee for modifications, enhancements and installations made to the computer system, including all hardware, software and firmware and network infrastructure, including a router and firewall (IT Security), network equipment / wireless access point devices, and a telephone system, including telecommunications infrastructure products and support services, proprietary software and other maintenance and support services that we may furnish to you. We may also charge a reasonable fee on an individual franchisee basis for other information technology maintenance and support services we may provide that we determine in our sole business judgment, are in excess of the general level of services we then provide to franchisees. We currently provide maintenance and support for our proprietary software (currently called Franchise Management System (FMS) without collecting a fee. We also may modify specifications to our computer systems, including all hardware, software and firmware and network infrastructure, including a router and firewall (IT Security), network equipment / wireless access point devices, and telephone systems, including telecommunications infrastructure products and support services, interactive flat panel and digital signs and may require you to purchase, lease and/or license new or modified computer systems, including all hardware, software and firmware and network infrastructure, including a router and firewall (IT Security), network equipment / wireless access point devices, telephone systems, including telecommunications infrastructure products and support services, interactive flat panel and/or software or digital signage and to obtain service and support for the computer system, telephone system, interactive flat panel and digital signage during the term of the Franchise Agreement. You must install and configure endpoint security and data loss threat prevention software we specify and authorize us to monitor endpoint security and data loss threat prevention software on your computer systems. You must update/upgrade the software, from time to time as we specify, to remain effective against evolving threats and vulnerabilities.

We do not require or recommend any maintenance or support contracts, but suppliers do offer them. Our preferred computer supplier provides a three year warranty on your computers with extended warranty service available on the classroom/staff computers at a varying cost of approximately $40 - $50 per computer per year for up to three years. Our preferred supplier for the telephone system provides a one year manufacturer's warranty which is included in the price of the system, with extended warranty service available for an additional cost of approximately $20 - $30 per phone per year upon request. We will have independent access to the information and data collected by and produced by your computer system; there is no contractual limitation on our right to access this information and data.

If you accept payment by credit or debit card, you are responsible for, and must pay the costs necessary to ensure that you comply with the PCI and federal and state laws and regulations concerning data security, data privacy and security breaches. You must maintain internal security measures, privacy policies and procedures, and use best efforts to protect employees, students and their parents against identity theft and theft or misuse of personal information.

You must respond to requests for access to or deletion of personal information. There are no contractual limitations on the frequency and cost of this obligation. If you engage a third party supplier we approve to provide services to you or you sub-contract the performance of services you are required to perform to a third-party that involves granting access to the third party to our network, systems, applications, websites, or sensitive business or personal data, you must contractually bind the third-party to the same data protection, confidentiality, non-disclosure, and acceptable use language that you agreed to in the Franchise Agreement.

You must protect all user IDs, passwords, or other login and user authentication credentials issued by us, as confidential information. You must not share these credentials with anyone who does not have a business need to know and use this information. You must immediately report to us if you discover or suspect that login credentials may have been compromised or accessed by unauthorized users. You must install, configure endpoint security and data loss threat prevention software we specify and authorize us to monitor endpoint security and data loss threat prevention software on your computer systems. You must update/upgrade the software, from time to time as we specify, to remain effective against evolving threats and vulnerabilities. You must authorize us to periodically monitor and scan your systems to detect and remediate known security vulnerabilities and other malicious activities, to include monitoring for outdated security patches. You will authorize us to block, disable, or revoke your access to our applications, websites, systems, or network, if necessary, to respond to suspected or detected malicious activities. You will ensure all business information and personal data is wiped from your computer equipment prior to turned it in or recycling it. Sometimes we are required to respond to audits to validate and attest to our ability to comply with legal and contractual data protection and IT security obligations. You must cooperate and provide support, as needed, for areas of the audit that includes your computers, credit card processing activities, and data handling processes and procedures.

You must replace your computer and IT network equipment at least every 5 to 7 years from the original equipment's initial service dates and at least every 5 to 7 years afterwards, as needed. Equipment replacement may be required earlier than 5 years based on the equipment manufacturer's end-of-life terms or our or Goddard Manager's operational support limitations. If you fail to meet our IT maintenance standards, you may incur service fees for IT-related support. These fees may be paid to a third-party vendor designated by us (which may be our affiliate) or to us.

Operating Manual

The Manual we make available to you electronically will contain mandatory and suggested specifications, standards, operating procedures and rules, and information relative to your other obligations and will remain confidential and our property. We will have the right to add to or otherwise modify the Manual as we deem necessary and you must comply with those changes at your expense, except any addition or modification will not materially alter your fundamental status and rights under the Franchise Agreement. (Sections 3E and 8 of the Franchise Agreement). Attached as **Exhibit E** is a copy of the table of contents of the Manual as of the close of our last fiscal year. The number of pages in the Manual as of this date is approximately 438 and the number of pages devoted to each subject in the Manual is reflected in the table of contents. The number of pages in the Manual are subject to change as policies and procedures are updated.

School Location

You must use your best efforts and diligently seek and select a proposed location for the School within the designated area you and we agree to in the Preliminary Agreement. The designated area is for planning and franchise disclosure compliance purposes only and does not convey any exclusive territorial rights. (See Item 12.) The designated area is currently typically stated as a metropolitan statistical area ("**MSA**") as designated by the federal government's Office of Management and Budget, or a portion of an MSA. You must submit a description of the location and any other information or materials as we may reasonably require. We will not unreasonably withhold our approval of a site that meets our standards for general location and neighborhood, traffic patterns, size, layout and other physical characteristics, rental, lease terms including duration and general conditions for use as a School. We may offer you sites that we have identified and pre-approved within the area in which the School must be located and you may be limited to choosing from those pre-approved sites. If we determine in our sole business judgment that, at any time, you are not using best efforts and diligently seeking a location or that you are unable or unwilling to proceed with the development of a location for any reason, or if we identify and approve one or more locations within the designated area and you reject these locations, we may elect not to continue with you and may terminate this Preliminary Agreement upon written notice to you. (Section 1 of the Preliminary Agreement.) The Preliminary Agreement does not specify the time period for our approval of sites but we expect to be able to do so within a reasonable time, approximately 60 to 90 days after you first propose the location, if you submit the information we request. You must sign a lease agreement or real property purchase agreement no later than 45 days after you sign the Franchise Agreement; but we have the right, but without any obligation in our sole business judgment, to extend the date in writing. (Section 6U of the Franchise Agreement.)

We may allow franchisees to operate an attached or free-standing Annex to a School with our prior written approval, which we may grant or withhold in our sole business judgment, in connection with the original construction or later as an expansion of the School. An Annex must meet our then current criteria for the proximity of the Annex to the School as provided in the Manual or otherwise in writing. Currently we require that an Annex must be on the same parcel as a suburban School or on the same block as a metropolitan School. An Annex is considered to form a part of the associated School and will be subject to the terms of the Franchise Agreement regarding the development and operation of the School. (Section 1D of the Franchise Agreement.) No separate Preliminary Agreement or Franchise Agreement will be signed for an Annex, but you and we will sign the Annex Amendment confirming our approval of the Annex. The Franchise Agreement does not specify the time period for our approval of the development of an Annex, but we expect to be able to do so within a reasonable time, approximately 60 to 90 days after you first propose the location, if you submit the information we request.

We may allow franchisees to operate a Satellite Location with our prior written approval, which we may grant or withhold in our sole business judgment. A Satellite Location must meet our then current criteria for the proximity of the Satellite Location to the associated School as provided in the Manual or otherwise in writing. Currently we require that a Satellite Location cannot meet the proximity criteria for the establishment of an Annex, that is a Satellite Location cannot be on the same parcel as a suburban School or on the same block as a metropolitan School but must be within a proximity radius of the associated School that we determine. A Satellite Location is considered to form a part of the associated School and will be subject to the terms of the Franchise Agreement regarding the development and operation of the School. (Section 1D of the Franchise Agreement.) No separate Preliminary Agreement or Franchise Agreement will be signed for a Satellite Location, but you and we will sign the Satellite Location Amendment confirming our approval of the Satellite Location. The Franchise Agreement does not specify the time period for our approval of the development of a Satellite Location, but we expect to be able to do so within a reasonable time, approximately 60 to 90 days after you first propose the location, if you submit the information we request.

A School may have only one associated Annex or one associated Satellite Location unless we grant written approval in our sole business judgment.

We agree to expend time and effort and to incur expenses as may reasonably be required to inspect sites proposed by you for a School to be operated by you and in assisting you to secure the lease or purchase of a site approved by us, including with regard to any Annex or Satellite Location. We require your participation and attendance in all phases of the real estate process. It has been our experience that landlords will require that you and your spouse sign or guarantee the lease individually. In some instances, a landlord may require that you have a minimum net worth. If you intend to lease the site, you must submit the lease to us before it is signed for our approval. We will not unreasonably withhold our approval. The lease must include the following provisions:

1. The term of the lease must be at least the full term of the 15-year Franchise Agreement (which may include option terms).
2. The lease term must be coterminous with the commencement and expiration dates of the Franchise Agreement.
3. The lessee under the lease must be the same individuals as, the same entity as, or an affiliated entity of, the franchisee under the Franchise Agreement.
4. The premises will only be used for the operation of your School;
5. The premises, or any part of the premises, may not be assigned or sublet except as a condition of the sale of the School, which must be approved by us;
6. We will have the right to enter the premises to inspect and make any modifications necessary to protect the Proprietary Marks;
7. We will have the right, at our election, to receive an assignment of the lease upon termination of the Franchise Agreement; and
8. You will not make any changes to the School building or the premises without our consent.

In addition, if you or an affiliated business entity lease the School premises, including any Annex or Satellite Location, you (or your affiliated business entity) must sign a collateral assignment of lease and the landlord must sign the consent and agreement of lessor in the forms we require. If you or your affiliated business entity lease your School premises, any affiliated business entity on the lease must be the same entity that is the franchisee under the Franchise Agreement (following a transfer for convenience of ownership by the individual franchisees). (Section 2 of the Preliminary Agreement; Section 6 of the Franchise Agreement.)

If you or an affiliated business entity own the School premises or acquire the School premises, including any Annex or Satellite Location, during the term of the Franchise Agreement, you (or your affiliated business entity) must sign an option to lease agreement and right of first refusal, in the form we require. If you or your affiliated business entity purchase the School premises, any affiliated business entity that owns the School premises must be a separate entity from the entity that is the franchisee under the Franchise Agreement (following a transfer for convenience of ownership by the individual franchisees). (Section 2 of the Preliminary Agreement; Section 6 of the Franchise Agreement.)

We will approve or withhold approval for any request to relocate your School, including any Annex or Satellite Location. You may not relocate your School, including any Annex or Satellite Location, without our prior written approval. (Franchise Agreement, Section 1A, Section 1D, Section 6O.)

Training

We will provide training in accordance with our then-current training program. Currently we provide approximately 10-15 days of intensive initial training through a blend of live sessions, provided both virtually and in-person, at our corporate offices or at another training site we select, plus online coursework in the marketing, operation, management and education product of a School. We may require you to use our proprietary education program. We currently do not require or provide this training in connection with a renewal franchise agreement or the addition of an Annex or Satellite Location to the School under the Franchise Agreement. The initial training description below does not apply to a renewal franchise agreement or the addition of a Satellite Location or an Annex, other than the additional primary director required for each separate location. The individuals we have trained for you under the Franchise Agreement for the associated School will be the same individuals responsible for overseeing and managing any Satellite Location or Annex, other than the additional primary director required for each separate location. We periodically review our initial training program and revise the length, content, location and manner of delivery as we find appropriate. We will provide you with our initial training program delivered in the manner and at the times and places we designate, delivered via our online adult learning platform, Internet, webinar, or other form of electronic communication online and on-site at our corporate offices or at another training site we select. If you are purchasing a new franchise, the majority of this initial training currently occurs in 2, comprehensive phases, but we reserve the right to change the training schedule and training medium or location. Additionally, there may be additional training required during and after your opening as we deem necessary.

Currently, the first phase is a combination of online course work on our adult learning platform and a 5-day virtual live session. This specific training phase will occur after you have received your building permit, have received both a definite and final address and telephone number for your School, and you have returned all documents and deposits we require. This phase of initial training will focus primarily on the marketing, sales and lead management of your School during the construction phase, as well as introduce you to The Goddard School® brand and the childcare licensing process. The second phase of your initial training, which is currently a combination of online course work, a 5-day virtual live session, and a 5-day in-person session, will be held approximately 8 to 12 weeks before your School receives its Certificate of Occupancy (CO). This phase of training will focus primarily on our proprietary education program, our health and safety standards and how to deliver a successful tour. It also gives insight into the business operations and management of your School, as well as provides insight into the role of your director(s). You will need to plan your schedule accordingly to make yourself available for the training sessions. Failure to attend and successfully complete all necessary sessions of the training program may delay your School opening and require you to retake parts or all of the program.

If you are purchasing the assets of an existing franchise, your initial training must take place prior to the transfer, currently a blend of online course work, a 5-day virtual live session and a 5-day in-person session at our corporate offices, but we may change the training schedule and training medium or location. Transfer initial training is conducted on an as-needed basis.

We may ask you to sign a Confidentiality and Noncompetition Agreement in a form satisfactory to us before we admit you to the initial training program. The Confidentiality and Noncompetition Agreement attached as **Exhibit C-16** is currently considered a satisfactory form.

The franchisee initial training, transfer initial training and Designated On-Site Operator training programs are in management methods and techniques rather than in teaching skills. The methods and techniques include selling School curriculum and programming; local marketing and promotion; telephone communications; touring to enrollment, School engagement and faculty retention; risk management; insurance requirements; facilities maintenance; state licensing regulations; health and safety requirements; electronic tools and other topics as needed.

Training for your primary director is currently delivered in two parts. Part 1 is Goddard Director Foundations, and is available for all directors – your primary director (who is the main or lead director of the School) and additional directors serving in supporting leadership roles. Your directors will participate in online coursework via Goddard University, our adult learning platform. The coursework covers topics such as curriculum, health and safety, program implementation strategies, our brand and the differences between being a teacher and being a director. Currently, we do not charge a fee for this training, but we may do so in the future. Part 2 is for your primary director and certain additional directors who have worked at your School for at least 12 consecutive months. The training participants must successfully complete the Goddard Director Foundations before you can register such participants for part 2. Part 2 is our Director Initial Training Cohort Program and is delivered through virtual live sessions in a cohort that meets periodically for approximately one month. The training program covers personnel management, faculty retention, marketing and touring. This may include an in-person element in future iterations, which would require you to pay for your training participants' travel expenses.

While there is no specified time in the Franchise Agreement for your training, if you purchase a new franchise, the individual we have approved to serve as your Designated On-Site Operator and any additional individuals named as parties to the Franchise Agreement that you request or we require must complete the initial training requirements to our satisfaction and pass a final qualifications exam before opening the School. If you purchase the assets of an existing franchise, the individual approved by us to be your Designated On-Site Operator and any additional individuals named as parties to the Franchise Agreement that you request or we require must complete the transfer initial training requirements to our satisfaction and pass the final qualifications exam before the transfer. These requirements include completion of, and engagement across, all online coursework, virtual meetings, and any in-person training sessions that are part of the then current program as well as passing a final qualification exam. Any person who has signed the Franchise Agreement or is responsible for the day-to-day operations of the School must attend and complete all requirements to our satisfaction of our applicable initial training program at your expense. We currently charge an initial training and opening support fee of $35,000 for initial training for up to 2 individuals who are parties to the Franchise Agreement and for all services related to the School opening programs as conducted by our School Support Services department and the Learning & Training team, as well as any required additional training as we deem necessary, if you are purchasing a franchise for a new School (which does not include an Annex or a Satellite Location). If you are purchasing an existing franchise, we charge an initial training and transfer support fee of $25,000 (or $15,000 if you are our existing franchisee and you purchase an existing School) for your training and for all services related to the School transfer program as conducted our School Support Services department and the Learning & Training team. The initial training and transfer support fee is subject to an annual increase of 10%. We only charge one initial training and transfer support fee if you transfer a Satellite Location in addition to its associated School. We will provide initial training programs and transfer initial training programs to the individual approved by us to be the Designated On-Site Operator and to additional individuals named as parties to the Franchise Agreement that you request or we require for an additional fee of $3,500 per person. The initial training programs will be delivered through a blend of online course work, virtual, live training, and in person training at our corporate offices. You or the transferee, as applicable, must bear the expenses of all individuals during the training period, including the cost of food, all transportation and lodging costs for any in-person training portion, under Section 6D and Section 12B(7) respectively, of the Franchise Agreement.

We currently charge $250 for the Director Initial Training Cohort Program but this cost may increase in the future. You must also pay for your directors' salary and expenses during training, including all travel costs, including food, transportation and lodging, if in-person training is required as part of our then-current Director Initial Training Cohort Program. Your director(s) will also need to complete all training requirements to our satisfaction. This currently includes engagement across all online coursework and virtual meetings as well as the passing of a final qualification assessment, but we reserve the right to change the training schedule and training medium or location. Director initial training is conducted on an as-needed basis. Secondary directors may attend our Initial Director Training Cohort Program after working at the School for 12 consecutive months or if they are the secondary director at a newly opened School. A School may have two secondary directors attend within the first 12 months of opening.

Lastly, we may, in our sole business judgment, require that you attend and successfully complete additional training after your School opens or a transfer is complete. These may include supplemental and refresher training programs, sales meetings, operations meetings, advertising meetings and conventions which we may offer periodically at various locations or via our online learning management system, Intranet, webinar or other form of electronic communication, determined by us during the term of the franchise. We may provide and may require you to attend and satisfactorily complete a refresher training program to our satisfaction as a condition of renewal. Your director(s) must attend repeat or supplemental training at our request. We will not charge any fee for these programs, except we do charge a registration fee for our conventions. However, you must pay all expenses for these training programs, sales meetings, operations meetings and conventions as we may require, including any transportation and lodging expenses for any in-person portion of the program and all other expenses incurred during any programs, including the cost of food, for all individuals attending.

As of the date of this disclosure document, the following is a summary of our initial training agenda:

PHASE I PROGRAM

Subject	Hours of Classroom Training*	Hours of On-The-Job Training	Location
Educational Program Overview	5 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Legal and ADA (Americans with Disabilities Act)	.5 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Competitive Comparison	10 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Director Hiring	1 hour	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Building Connections	2 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Better Together– Our Franchisee/Franchisor	2.5 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Taking lead calls, Pre-enrollment events and role play	5.5 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Licensing	1 hour	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Roadmap to Success: Your Next 6 Months	2 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Community Reputation & Engagement (Marketing & PR)	2.5 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Health and Safety	3 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Total Hours	**35 hours**	**Varies**	

PHASE II PROGRAM

Subject	Hours of Classroom Training*	Hours of On-The-Job Training	Location
Educational Program & Education Quality Standards	8 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Financials	2 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Franchise Management System	5 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions

Subject	Hours of Classroom Training*	Hours of On-The-Job Training	Location
Getting Ready	2 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Health & Safety and Facility Standards	12 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Marketing & Public Relations	2 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
School Licensing	2 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Faculty Journey	8 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Risk Management	3 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
The Enrollment Process and the Tour	15 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
The Goddard Brand	2 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
The Family Attraction, Engagement & Retention	5 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Meetings with GSL Leadership	4 hours	0 hours	King of Prussia, PA and online learning modules and/or virtual training sessions
Total Hours	**70 hours**	**Varies**	

* Training sessions may include online learning modules, virtual and live classroom experiences, which together are considered "classroom training." "On-the-job training" is continuous as needed after your School opens and is supported by the School Support Services department and the Learning & Training team.

Training classes will be conducted on an as-needed basis. Training classes are delivered via our adult learning platform, Internet, webinar, or other form of electronic communication online and on-site at our corporate offices or at another training site we select. Any in-person training classes are currently held at our corporate offices in King of Prussia, Pennsylvania. We reference our training documentation, which is housed on our internal resource site called Goddard Connect and in our adult learning platform. These resources include the following topics: Operations, Health and Safety, Marketing, Brand Standards and other policies. These can be accessed by using the search tools on Goddard Connect.

The training program we provide is under the direction of Jennifer Bowden, Vice President of Learning and Training of Goddard Manager. Ms. Bowden's background and experience is disclosed in Item 2. She has extensive experience in training, adult learning frameworks, instructional design, and learning technologies. She has been with Goddard Manager since February 2015 and during her tenure also led our Early Childhood Education Programming team. Ms. Bowden has over 25 years in the education field.

You must attend and fully complete, at our request, supplemental and refresher training programs, sales meetings, operations meetings, advertising meetings and conventions which we may offer periodically at various locations or via our adult learning platform, Intranet, webinar or other form of electronic communication, determined by us during the term of the franchise. Your director(s) must attend repeat or supplemental training at our request. We will not charge any fee for these programs, except we do charge a registration fee for our conventions. However, you must pay all expenses for these training programs, sales meetings, operations meetings and conventions as we may require, including any transportation and lodging expenses for any in-person portion of the program and all other expenses incurred during any programs, including the cost of food, for all individuals attending.

We may also provide you with certain services which we are not obligated to perform under the Franchise Agreement but which are provided to you to assist you in opening and operating the School.

Opening

We estimate that it will be approximately 18 to 24 months between the signing of the Preliminary Agreement and the opening of your School, or between 18 to 24 months between the signing of the Annex Amendment or the Satellite Location Amendment and the opening of any Annex or Satellite Location you may add to the Franchise Agreement. This period may vary depending upon the availability of sites in a particular area, the location and condition of the site, zoning and permitting requirements, the level of upgrade or build-out required, the delivery of equipment, regulatory and licensing requirements, and staffing and training.

The process of applying and qualifying for a franchise, locating and negotiating for the purchase or lease of a site, securing the appropriate financing, closing the necessary contracts and obtaining the necessary business licenses, permits and approvals to open a School takes a substantial period of time and involves risks and expenses. If you make changes in your employment, business, residence or other arrangements in anticipation of opening a School, you do so at your own risk. You should not make any of these changes without careful thought and planning, financial and otherwise, or without consulting with appropriate advisors and completing a full investigation of all the facts.

Item 12

TERRITORY

Franchise Agreement

You may operate the School (including any Annex or Satellite Location) only at the location we have approved. We do not restrict the area into which you may go to solicit business or the customers whom you may solicit. You must obtain our prior written approval if you wish to relocate the School (including any Annex or Satellite Location). If you lose possession of the School premises because of the governmental exercise of the power of eminent domain, or if, through no fault of yours, the School is damaged or destroyed by a disaster so that it cannot, in our judgment, reasonably be restored, you must apply within 90 days for approval to relocate the School or we may terminate the Franchise Agreement without providing you any opportunity to cure. We consider the same factors in reviewing your initial location and any potential new location and we may charge you a reasonable fee for our services in connection with any relocation of the School, including any Annex or Satellite Location. If you wish to relocate an Annex or Satellite Location, you must continue to satisfy our criteria for proximity of the Annex or Satellite Location to its associated School and in the case of any Satellite Location, the limitation on programming restricting the Satellite Location from serving all age ranges (except with our specific written approval which we are not obligated to provide).

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 may establish other franchised or company-owned Schools that may compete with your location. However, the number of Schools operated or licensed by us will not exceed a maximum of one School for each 10,000 households in the county in which the School is located if you are in compliance with your obligations under the Franchise Agreement. An Annex and a Satellite Location will not count as separate Schools for the purpose of determining the number of Schools in the county, but together with their associated School, will count as one School.

We and our affiliates retain the rights, among others, without granting any rights to you, to sell and license others to sell services and products authorized to be offered by Schools or businesses operated under any other names and trademarks, directly or indirectly, at retail or wholesale, through similar or dissimilar channels of distribution, on terms we consider appropriate, regardless of their proximity to your School or whether they compete with you. The alternative channels of distribution for services include, for example, sales of services in separate areas or concession departments set aside for the School within other retail establishments or business, co-branding relationships, catalog business or via the Internet and any similar outlets or distribution methods we determine. We do not grant you any rights to distribute products or services through alternate channels of distribution, and you will have no right to share, nor should you expect to share, in any of the proceeds we and/or our affiliates or franchisees or licensees or any other party receives in connection with the alternate channels of distribution.

Neither we nor our affiliates have to date established or have plans or a policy to establish other franchises or company-owned Schools providing similar services under a different trade name or trademark, but we or our affiliates may establish other or similar businesses at some future date.

Continuation of your right to operate the School is not dependent upon achievement of a certain volume, market penetration or other contingency, although you agree to use your best efforts to develop and fully exploit the business potential of the School. We currently do not offer franchisees any option, right of first refusal or any similar right to acquire additional franchises within any designated area or in any contiguous territory, but we may do so in the future.

Development Agreement

We and you will identify the Development Area in the Development Agreement before signing it. We base the Development Area's size primarily on the number of Schools you agree to develop, demographics, and site availability. We will determine the number of Schools you must develop, and the deadlines for development, to keep your development rights. We and you will agree on the Development Schedule before signing the Development Agreement. Under the Development Agreement, we first must accept each new site you propose for each new School (or you must exercise your right of first refusal to acquire sites identified and purchased by us or our affiliate). Each Development Area will be specifically defined within a market based on a number of factors including, but not limited to, the number of families, children under the age of 5, household income, population trends and density, traffic patterns, commercial and residential establishments and the presence of other childcare offerings, including Goddard Schools. We will calculate the Development Area based on various factors, including demographics, location of existing Schools, competition, urbanicities, and market demand. The minimum size for a Development Area will be 0.5 square miles in an urban setting and 1 square mile in a suburban setting. You may not develop Schools outside the Development Area.

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

During the Development Agreement's term, we will not establish or operate, nor license any other party to establish and operate, any Schools under the System and the Proprietary Marks in the Development Area. We reserve all other rights within and outside the Development Area.

During the Development Agreement's term, we will have the right to identify, consider and approve proposed locations within the Development Area as suitable for the operation of Schools, independent of you. If we either ourselves identify or receive an acceptable proposal from a third party with respect to a suitable site during the Development Agreement's term, you will have a right of first refusal to enter into a franchise agreement with us to establish and operate a School at the site if: (1) you are in substantial compliance with the Development Agreement (including, without limitation, the Development Schedule), all franchise agreements signed under the Development Agreement and any other franchise agreements between you or any of your principals and us; and (2) you then possess adequate financial, operational and managerial resources to operate another School at the site, as determined by us in our discretion.

If you choose to purchase and establish a School at a site that we identify or receive from a third party, you must exercise your right of first refusal by (a) notifying us of your election to execute our then-current form of franchise agreement (which may contain materially different terms from the Franchise Agreement included in this disclosure document) within 7 days of your receipt of written notice from us of an approved site; (b) executing and delivering to us our then-current form of franchise agreement within 30 days of your election to purchase, but no sooner than 16 days after your receipt from us of our then-current Franchise Disclosure Document and franchise agreement for the School to be developed at the approved site; and (c) securing a letter of intent on a lease or purchase for the site within 30 days after exercising your right of first refusal.

If you do not exercise your right of first refusal as described above, we and our affiliates will have the right during the Development Agreement's term to (1) use the System and the Proprietary Marks for the establishment and operation of a School at the approved site in the Development Area; or (2) license a third party franchisee to use the System and the Proprietary Marks for the establishment and operation of a School at the approved site in the Development Area.

Any School established by us, our affiliates or a third party during the Development Agreement's term as described above and any territorial protection provided under the franchise agreement executed by us, our affiliate or a third party related to such School will be excluded from the Development Area.

Your election not to exercise your right of first refusal regarding any approved site in the Development Area will not affect your right of first refusal as to any subsequent approved site developed and approved by us during the Development Agreement's term.

If you fail to have open and in operation the number of Schools in the Development Area described in the Development Schedule by the respective dates under the Development Schedule, or if you are in default under any franchise agreement with us or our affiliate, we will have the right, upon written notice to you, to do one or more of the following:

(a) Terminate the territorial protection granted to you under the Development Agreement and we will have the right to establish and operate, and license others to establish and operate, Schools within the Development Area;

(b) Terminate the right of first refusal for sites granted to you under the Development Agreement; and/or

(c) Terminate the Development Agreement.

Except for these situations, continuation of your territorial rights in the Development Area does not depend on your achieving a certain sales volume, market penetration, or other contingency, and we may not alter your Development Area or modify your territorial rights in the Development Area. You have no other options, rights of first refusal or similar rights to acquire additional franchises. When the Development Agreement terminates or expires, we may establish and operate, and license others to establish and operate, Schools under the System and the Proprietary Marks within the Development Area and engage, and allow others to engage, in any other activities we desire within and outside the Development Area without any restrictions, subject only to your rights under existing franchise agreements with us.

Item 13

TRADEMARKS

Under the Franchise Agreement, we grant you the right to use the Proprietary Marks in the operation of the School. The Proprietary Marks currently include the following Proprietary Marks, which have been registered with the United States Patent and Trademark Office. As noted in Item 1, all Proprietary Marks were transferred by Goddard Manager to us at the closing of the Securitization Transaction.

Mark	**Registration Number**	**Registration Date**	**Register**
THE GODDARD SCHOOL (Service Mark)	1,788,532 (Classes 41 and 42)	August 17, 1993	Principal
GODDARD (Service Mark)	2,539,754 (Classes 41 and 42)	February 19, 2002	Principal
(Service Mark)	4,457,865 (Classes 35, 41 and 43)	December 31, 2013	Principal
(Service Mark) (Design)	4,395,868 (Classes 35, 41 and 43)	September 3, 2013	Principal
LEARNING FOR FUN. LEARNING FOR LIFE. (Service Mark)	4,426,366 (Classes 41 and 43)	October 29, 2013	Principal
READY SET GODDARD (Service Mark)	5,516,960 (Class 41)	July 17, 2018	Principal
READY.SET.GODDARD! (Stylized) with Color	5,606,004 (Class 41)	November 13, 2018	Principal

Mark	Registration Number	Registration Date	Register
(Service Mark)	4,985,038 (Class 41)	June 21, 2016	Principal
PROMISING FUTURES (Service Mark)	4,813,738 (Class 35)	September 15, 2015	Principal
F.L.EX. (Service Mark)	4,429,854 (Class 41)	November 5, 2013	Principal
GODDARD FAMILY CONNECT (Service Mark)	4,465,004 (Class 41)	June 22, 2019	Principal
WELCOME TO THE GODDARD FAMILY	6,377,683 (Classes 41 and 43)	June 8, 2021	Principal
SCHOOL READY LIFE READY CAREER READY (and design)	5,395,048 (Class 41)	February 16, 2018	Principal
PROMISING FUTURES	4,813,738 (Class 35)	September 15, 2015	Principal
LIFE LESSON LIBRARY	7,038,809 (Class 41)	April 25, 2023	Supplemental
GODDARD SCHOOL FRANCHISE	7,034,754 (Class 35)	April 25, 2023	Principal
IGODDARD	7,034,802 (Class 42)	April 25, 2023	Principal

Any required affidavits and renewals pertaining to these Proprietary Marks have been filed. None of these Proprietary Marks is currently registered under any state law. We own all of these Proprietary Marks.

We have filed applications for the following Proprietary Marks on the Principal Register of the United States Patent and Trademark Office:

MARK	APPLICATION NUMBER	REGISTER	APPLICATION DATE
WONDER OF LEARNING	97,790,030 (Class 41)	Principal	February 10, 2023
WONDER OF PLAY	98,058,564 (Class 41)	Principal	June 26, 2023

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

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigations, involving the Proprietary Marks that are relevant to their use in the Commonwealth of Pennsylvania or the state in which the School is located. There are no agreements currently in effect that significantly limit our right to use or license the use of the Proprietary Marks in any manner material to the franchise. Furthermore, we do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state.

You must follow our rules when you use the Proprietary Marks. You and your employees are prohibited from using any Proprietary Mark as part of any business entity name or Internet domain name with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed by us to you). In addition, you may not use any Proprietary Mark in selling any unauthorized service or in any other manner we have not explicitly authorized in writing.

You must immediately notify us of any infringement of or challenge to your use of any Proprietary Mark. We will have the right, in our sole business judgment, to take whatever action we deem appropriate to protect the Proprietary Marks. Under the Franchise Agreement, we have the right to control any litigation or administrative proceeding with respect to the Proprietary Marks. You will cooperate in the prosecution or defense of any action we undertake. If the action is a result of your conduct, acts or omissions, you must reimburse us for the costs of the action.

If we decide that you should modify or discontinue your use of any Proprietary Mark and/or use one or more additional or substitute Proprietary Marks, you must comply with this decision. We are not obligated by the Franchise Agreement or otherwise to protect any or all rights that you have to use our Proprietary Marks or to protect you against claims of infringements or unfair competition with respect to our Proprietary Marks. The Franchise Agreement does not provide for you to receive compensation for tangible costs of changing any Proprietary Mark.

Under the Franchise Agreement, you agree not to contest, directly or indirectly, our ownership, title, right or interest in our Proprietary Marks, trade secrets, methods, procedures and marketing techniques that are part of our business or to contest our sole right to register, use or license others to use these Proprietary Marks, trade secrets, methods, procedures and techniques.

The Development Agreement does not grant you any rights to use (or license others to use) the Proprietary Marks. You derive the right to use the Proprietary Marks only under a Franchise Agreement.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or pending patent applications that are material to the franchise. We claim copyright protection of our architectural plans and designs, the Manual and its contents, written materials, website and webpages, computer programs, videos and related materials although these materials may not have been registered with the United States Registrar of Copyrights. The architectural plans and designs, the Manual and its contents, written materials, videos and related materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement and in the Preliminary Agreement.

There currently are no effective determinations of the United States Patent and Trademark Office, the United States Copyright Office, or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights or to defend you against claims arising from your use of copyrighted items.

The Franchise Agreement provides that you acknowledge that your entire knowledge of the operation of the School, including the specifications, standards and operating procedures of the School, is derived from information we disclose to you and that all this information is confidential and our trade secret. You must maintain the absolute confidentiality, during and after the term of the franchise and during and after the term of the Preliminary Agreement, of all information you receive from us or learn as a franchisee or franchise applicant. You must inform your employees and others having access to confidential information and/or the System of the obligation to maintain the information in confidence and, subject to applicable law, they must sign a Confidentiality Agreement in a form satisfactory to us, giving us the right to enforce the agreement as a third party beneficiary. Under the Franchise Agreement you must disclose to us any ideas, concepts, techniques or material concerning the System or the operation of the School, including marketing materials, that you or anyone acting on your behalf create. All of these creations shall be our property. The Confidentiality Agreement attached as **Exhibit C-15.1** is currently considered a satisfactory form for your employees and other persons associated with you as our franchisee to address confidentiality and ownership of creations. If you are considering purchasing all or a portion of an existing franchise, you must have satisfactorily completed your Designated On-Site Operator initial training before the transfer, and we may ask you to sign a Confidentiality Agreement in a form satisfactory to us before we admit you to the initial training program. The Confidentiality Agreement attached as **Exhibit C-15.2** is currently considered a satisfactory form. If you are considering purchasing all or a portion of an existing franchise to be added as an individual franchisee on the Franchise Agreement and the Assignment and Assumption Agreement, we may ask you to sign a Confidentiality Agreement in a form satisfactory to us before we grant approval for you to be added. The Confidentiality Agreement attached as **Exhibit C-15.3** is currently considered a satisfactory form. In connection with your purchase of all or a portion of an existing franchise in connection with a transfer or adding you as an individual franchisee, we reserve our right to ask you to sign a Confidentiality and Noncompetition Agreement. The Confidentiality and Noncompetition Agreement attached as **Exhibit C-16** is currently considered a satisfactory form.

If we change any specification, standard or operating procedure applicable to the operation of your School or change the Proprietary Marks or all or any part of the System, through changes to the Manual or notice to you, you will take all actions, at your expense, to implement these changes.

You will promptly notify us of any unauthorized use or misappropriation of the Manual or any material in which we claim copyright protection, any trade secrets or confidential information, knowledge, or know-how. You will also cooperate in the prosecution or defense of any action related to the confidential information, the Manual or any material in which we claim copyright protection, any trade secrets or confidential information, knowledge, or know-how, and will render any assistance we think is reasonably required to assist in this prosecution or defense. If you are compelled by a court or other body of competent jurisdiction to disclose any of the confidential information, the Manual or any material in which we claim copyright protection, any trade secrets or confidential information, you will inform us promptly by written notice and will provide reasonable assistance in obtaining and enforcing a protective order or other appropriate means of safeguarding the materials or information required to be disclosed. You may then disclose only so much of these materials or information as is legally required to be disclosed. You further agree to notify us promptly of any litigation instituted by any person or legal entity against you involving these materials or information. If we, in our sole business judgment, undertake the defense or prosecution of any litigation relating to the use of these materials or information, you must sign any and all documents, and to render any assistance as may, in the opinion of our lawyers, be reasonably necessary to carry out the defense or prosecution.

You must protect all user IDs, passwords, or other login and user authentication credentials, issued by us, as Confidential Information. You must not share these credentials with anyone who does not have a business need to know and use this information. You must immediately report to us if you discover or suspect that login credentials may have been compromised or accessed by unauthorized persons. You must ensure all business information and personal data is wiped from all your computer equipment prior to being turned in or recycled.

We may be required to respond to audits to validate and attest to our ability to comply with legal and contractual data protection and IT security obligations. You must cooperate and provide support, as needed, for areas of the audit that include your computers, credit card processing activities, and data handling processes and procedures.

You must use only the platforms and programs provided or approved by us for the collection and storage of information related to the business, including but not limited to customer data, enrollment data, financial data, student data, etc.

Under the Development Agreement, you must not, during or after the Development Agreement's term, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation, any trade secrets or confidential information, knowledge, or know-how concerning the methods of development, site selection, or any of our other proprietary methods which may be communicated or disclosed to you, or of which you may be appraised, by virtue of your operation under the terms of the Development Agreement. You must divulge such trade secrets and confidential information only to your employees who must have access to it in order to perform your development obligations and duties under the Development Agreement. You must require all employees to whom such information is divulged to execute a confidentiality agreement in a form prescribed by us. The Confidentiality Agreement attached as **Exhibit C-15.1** is currently considered a satisfactory form for your employees and other persons associated with you as our developer to address confidentiality.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Franchise Agreement

The franchisee you have designated, and we have approved, to conduct the day-to-day management and operation of the School (the "**Designated On-Site Operator**") must devote full time, energy and efforts to the management and supervision of the School to satisfy and honor your obligations under the Franchise Agreement unless we agree otherwise in writing, which we have no obligation to do. Unless we agree otherwise (which we have no obligation to do) pursuant to an Amendment to Franchise Agreement (Designated On-Site Operator) in the form attached as **Exhibit C-9**, the Designated On-Site Operator must be a party to the Franchise Agreement and have at least a 10% equity interest in the franchise business. You may not change the Designated On-Site Operator during the term of the Franchise Agreement without our prior written approval. A Satellite Location will only operate with the support of and together with its associated School, and must be governed under the same Franchise Agreement, and as a result, will be under the same ownership as the School. The Designated On-Site Operator of the associated School will devote full time, energy and efforts to the management and operation of both the associated School and any Satellite Location. The School must be at all times under the supervision of the Designated On-Site Operator and at least 1 qualified, trained full-time director(s). You must have 1 full-time director, and any additional full-time directors we may deem appropriate in our sole business judgment for the School. A Satellite Location must have 1 trained full-time director dedicated solely to the Satellite Location, and any additional full-time directors we may deem appropriate in our sole business judgment dedicated to the Satellite Location and sufficient dedicated trained staff to meet state childcare licensing requirements. We require that the full-time director(s) be someone other than a franchisee. Your director must (i) successfully complete training in accordance with our standards, (ii) be qualified to perform the duties of a director and manage the day-to-day operations of the Facility per your state requirements, and (iii) satisfy all brand standards specified in the Manual. You must notify us of the identity of your director and must provide any information that we request to confirm that the director is compliant with the above requirements. Your primary directors (and any replacements) must attend and satisfactorily complete our Director Initial Training Cohort Program, which includes the Goddard Director Foundations Training and the Director Initial Training Cohort Program. The primary director and any replacement primary director must satisfactorily complete our Director Initial Training Cohort Program within our then-current director training timeline. We currently charge $250 for our Director Initial Training Cohort Program, but we may increase this fee in the future. You will also pay the salary and expenses of the director(s) during training, including all travel and living expenses if in-person training is required as part of our then current Director Initial Training Cohort Program. In order to avoid potential conflicts of interest in your dealings with parents or teachers, we require that the director(s) be someone other than a franchisee, and we discourage franchisees from hiring a family member as a director.

You will disclose to School employees, including the director(s), only the information needed to fulfill their duties, and you will advise them that any confidential information is a trade secret of ours. You must, subject to applicable law, require all School employees to sign a Confidentiality Agreement. The Confidentiality Agreement attached as **Exhibit C-15.1** is currently considered a satisfactory form. Only individuals who have satisfactorily completed all requirements related to our initial training program we prescribe or our Director Initial Training Cohort Program may lead tours of the School for parents of prospective students or others or serve in a management role in the School with respect to overseeing the relationship with School employees or parents of the School's students.

All individuals employed at the School who are not required to complete our initial training program for Designated On-Site Operators or the Director Initial Training Cohort Program must attend and complete the employee training described in Section 6F of the Franchise Agreement. Your employees must have literacy and fluency in the English language sufficient to adequately communicate with students, their parents, other employees and suppliers, as applicable to their duties.

If you are considering purchasing all or a portion of an existing franchise, you must have satisfactorily completed the Designated On-Site Operator initial training before the transfer, and we may ask you to sign a Confidentiality Agreement in a form satisfactory to us before we admit you to the initial training program. The Confidentiality Agreement attached as **Exhibit C-15.2** is currently considered a satisfactory form. If you are considering purchasing all or a portion of an existing franchise to be added as an individual franchisee on the Franchise Agreement and the Assignment and Assumption Agreement, we may ask you to sign a Confidentiality Agreement in a form satisfactory to us before we grant approval for you to be added. The Confidentiality Agreement attached as **Exhibit C-15.3** is currently considered a satisfactory form. In connection with your purchase of all or a portion of an existing franchise in connection with a transfer or adding you as an individual franchisee, we reserve our right to ask you to sign a Confidentiality and Noncompetition Agreement. The Confidentiality and Noncompetition Agreement attached as **Exhibit C-16** is currently considered a satisfactory form.

If you are a married individual, we will require both you and your spouse to sign the Preliminary Agreement, the Franchise Agreement and related agreements as individuals. You and your spouse, as parties to these agreements, will be subject to the confidentiality and noncompetition covenants in the Preliminary Agreement and the Franchise Agreement, as well as other provisions of these agreements that are applicable, and will both be personally liable for the financial and other obligations under these agreements. Landlords may require you and your spouse to be personally liable and either sign the lease agreement and related agreements as individuals or guarantee your entity's obligations. We will permit the Franchise Agreement to be assigned to a general partnership, corporation or limited liability company owned 100% by you and your spouse collectively, or by only you individually (we do not require a spouse of an individual who has signed this Agreement as franchisee to have an interest in the entity), formed for the convenience of ownership of the School as disclosed in Item 17, but you and your spouse will remain personally liable and will guarantee the entity's obligations to us. You and your spouse will also continue to be bound by the terms and conditions of the Franchise Agreement which remain applicable to them, including provisions concerning the Proprietary Marks, confidential information and the Manual, records and reports, transfers, obligations upon termination, expiration, or transfer, covenants, indemnification, enforcement and the general provisions. Any new owners of the franchisee entity and their spouses and any new spouses of an owner of the franchisee entity must also guarantee the entity's obligations to us and agree to be personally liable for the financial obligations under the Franchise Agreement and to be bound by the applicable terms and conditions of the Franchise Agreement. The form of Assignment and Assumption Agreement you must sign to confirm your continuing obligations and enable you to transfer your rights and obligations under the Franchise Agreement as franchisee to a partnership, corporation or limited liability company is attached as **Exhibit C-13**.

All individuals who sign the Franchise Agreement originally or are added as individuals subject to the Franchise Agreement (other than a spouse of an individual also signing as franchisee) must have an interest in the business and/or the affiliated business entity to which the Franchise Agreement has been assigned for convenience of ownership. You will designate a Designated On-Site Operator to conduct the day-to-day management and operation of the School (and any associated Satellite Location). Unless we agree otherwise (which we have no obligation to do) pursuant to an Amendment to Franchise Agreement (Designated On-Site Operator) in the form attached as **Exhibit C-9**, this individual must be a party to the Franchise Agreement and have at least a 10% equity interest in the franchise business. Except as you disclose to us in writing and we approve in writing in advance, (a) no individual franchisee may have a purchase or call option on the ownership interests of any other individual franchisee in the business and/or in the ownership interests in the affiliated business entity franchisee except upon the death or permanent disability of the individual or in connection with a right of first refusal; and (b) neither the organizational documents of any entity to which you may assign the Franchise Agreement for convenience of ownership or any other oral or written agreement may authorize one or more individual franchisees to remove another individual franchisee from ownership or participation in the School business. If any individuals who signed a Franchise Agreement originally or were added as individuals subject to the Franchise Agreement apply to be a franchisee for a different School separately from all or any of the other individuals then subject to the same Franchise Agreement, we may, but we are not required to, inform all of the other individuals then subject to the same Franchise Agreement of the application. We may make any decision on the application for a different School as we deem appropriate in our sole business judgment, including for reasons related to the existing School, and do not require the approval of any of the other individuals on the same Franchise Agreement for the existing School to grant our approval.

Development Agreement

If you meet our criteria to develop multiple Schools under a Development Agreement, you must develop your Development Area according to the Development Schedule. We recommend that you (or, if you are an entity, your owners) personally supervise your development of Schools. Under the Development Agreement, your personnel need not have an equity interest in any School or in you. Personnel need not attend our training program. If you are an entity, your owners need not sign any personal guarantees of your obligations under the Development Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may not offer or sell any products or services that do not meet our standards and specifications or that are not approved by us. You may not use the premises for any purpose other than the operation of a School unless approved by us, which approval we are not obligated to provide. You are not limited in the customers to whom you may sell products or services, except that you may not sell any products or services to our other franchisees without our written approval, which we are not obligated to provide. You must offer all products and services that we periodically require or authorize in writing for the Schools except that a Satellite Location may not serve all age ranges typically served by Schools except with our specific written approval which we are not obligated to provide. We have the right to change the types of authorized or required products and services and there are no limits on our right to make changes.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

References to the Franchise Agreement in this Item 17 include references to the Franchise Agreement (Renewal) unless specifically stated.

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Section 5 of the Preliminary Agreement Section 2 of the Franchise Agreement Section 4 of the Development Agreement	Term of the Preliminary Agreement is 3 years. Term of Franchise Agreement is 15 years (5 years if you are signing a renewal Franchise Agreement). We and you may provide in the Annex Amendment or the Satellite Location Amendment that the term of operation of operation of any Annex or Satellite Location may be for less than the full remaining term of the Franchise Agreement. Term of the Development Agreement expires on the earlier of: (a) the last date specified in the Development Schedule; or (b) the date when you have open and in operation all of the Schools required by the Development Schedule.

Provision	Section in franchise or other agreement	Summary
b. Renewal or extension of the term	Section 5 of the Preliminary Agreement Section 2 of the Franchise Agreement	We may extend the term of the Preliminary Agreement for up to one year in our sole business judgment. You may renew the Franchise Agreement for a 5 year renewal if you meet certain requirements. Under the Development Agreement, you may not extend or renew the term.
c. Requirements for franchisee to renew	Section 5 of the Preliminary Agreement Section 2 of the Franchise Agreement	You must request extension of Preliminary Agreement at least 30 days before it expires. Written notice to renew from you to us, you were in substantial compliance during the term and are not then in default, you have the right to occupy the School premises (including any Annex or Satellite Location, unless otherwise agreed) through the renewal term and we have the same rights to assume occupancy as during the initial term (including with regard to any Annex or Satellite Location, unless otherwise agreed), you provide us with a copy of the premises lease, you complete any training we require, you pay us a renewal license fee when you provide notice of intent to renew, you pay us any additional required background check fee, your background checks are satisfactory, you complete repairs and remodeling as required, you sign a general release and sign then-current form of Franchise Agreement and related agreements, including the Collateral Assignment of Lease or Option to Lease Agreement and Right of First Refusal, as appropriate, unless there is an existing signed Collateral Assignment of Lease or Option to Lease Agreement and Right of First Refusal that by its terms applies to the renewal period. We may refuse to renew if you do not satisfy these requirements. If you seek to renew your franchise at the expiration of the initial term, you will sign a new franchise agreement that contains terms and conditions that may be materially different from those in your current franchise agreement, including different fee requirements and territorial rights.
d. Termination by franchisee	Section 5 of the Preliminary Agreement	You may terminate the Preliminary Agreement for any reason by written notice to us, at any time before you sign a lease or purchase contract for the premises of the School. (Subject to state law; see **Exhibit H**). You have no right to terminate the Development Agreement except as applicable law allows.

Provision	Section in franchise or other agreement	Summary
e. Termination by franchisor without cause	Section 5B of the Preliminary Agreement	We may terminate the Preliminary Agreement for any reason with or without cause by written notice to you at any time. We may not terminate the Franchise Agreement or the Development Agreement without cause.
f. Termination by franchisor with cause	Section 1, Section 5 and Section 11 of the Preliminary Agreement Section 13 of the Franchise Agreement Sections 3.F. and 8 of the Development Agreement	We may terminate the Preliminary Agreement for any reason with or without cause by written notice to you at any time. We can terminate the Franchise Agreement and the Development Agreement only (under the Development Agreement) if you commit any one of several violations, including your failure to comply with the Development Schedule.
g. "Cause" defined –curable defaults	Section 13 of the Franchise Agreement	7 days for improper use of Proprietary Marks or failure to meet certain of our quality assurance standards (that do not present a threat or danger to public health or safety); 15 days for failure to pay amounts owed; 60 days if you or any Owner are not a United States citizen and you are notified you have lost or will lose the right to be in the United States lawfully; 30 days for all other defaults under the Franchise Agreement or by operation of a cross-default provision, under any other agreement you or your affiliates have with us or our affiliates; 30 days if another School owned by you or your affiliate loses its license or closes due to violations. There are no curable defaults under the Development Agreement.
h. "Cause" defined – non curable defaults	Section 11 of the Preliminary Agreement and Section 6Q of the Franchise Agreement Section 13 of the Franchise Agreement Section 3.F. and 8 of the Development Agreement	We can terminate the Preliminary Agreement with or without cause generally and without providing you an opportunity to cure, including if you violate or misrepresent your status relating to compliance with laws, or violate laws prohibiting corrupt business practices, money laundering and support of terrorist activities. We can terminate the Franchise Agreement upon: Bankruptcy; abandonment; conviction or plea of guilty or nolo contendere of a felony, or a crime involving moral turpitude or other crime which may affect reputation of the School or goodwill of Proprietary Marks or indicates unsuitability for childcare; dishonest or unethical conduct or conduct involving moral turpitude or other conduct which may affect reputation of the School or goodwill of Proprietary Marks or indicates unsuitability for childcare; unauthorized transfer; failure to comply with in-term covenants; unauthorized use of confidential information or Manual; failure to effect transfer upon death or disability;

Provision	Section in franchise or other agreement	Summary
		violation of health or safety laws; failure to meet certain of our quality assurance standards creating a threat or danger to health or safety; material misrepresentation; repeated violations; failure to obtain or maintain insurance; failure to open School; default continuing beyond applicable cure period under any other agreement you or your affiliates have with us or our affiliates; failure to lease or purchase the School premises; termination or revocation of a necessary license or closure of another School operated by you or an affiliate due to violation of Franchise Agreement or applicable laws or licensing requirements and which is not reinstated or lawfully reopened within 30 days; the operation of the School or the license granted to you is frustrated or materially impaired by any law or civil or military authority or acts of God, war or civil disorders, or by the existence or declaration of a pandemic or epidemic, or by labor union activity. We can terminate the Development Agreement upon: bankruptcy or insolvency; abandonment; conviction or plea of guilty or nolo contendere of a felony, or a crime involving moral turpitude or other crime which may affect reputation of your business or the goodwill of the Proprietary Marks; unauthorized transfer; failure to comply with in-term covenants; unauthorized disclosure of trade secrets or confidential information; failure to effect transfer upon death or disability; creation of a threat or danger to public health or safety; material misrepresentation; repeated violations; failure to comply with any other terms or conditions of the Development Agreement or any franchise agreement between you or your affiliates and us or our affiliates.
i. Franchisee's obligations on termination/ non-renewal	Section 5 of the Preliminary Agreement Section 14 of the Franchise Agreement	Sign a release under both the Preliminary Agreement and Franchise Agreement. Under the Franchise Agreement, you must also cease operating franchised business, cease use of System and Proprietary Marks; remove all signage from the premises; cancel assumed or equivalent name registrations; modify or alter premises to prevent operation of any business; pay outstanding amounts; return all manuals relating to franchised business; as applicable, transfer or cancel all telephone numbers, business directory listings, facsimile numbers, Internet numbers, domain names and e-mail addresses and inform any business directory of the transfer; and comply with covenants.

Provision	Section in franchise or other agreement	Summary
j. Assignment of contract by franchisor	Section 6 of the Preliminary Agreement Section 12 of the Franchise Agreement Section 7 of the Development Agreement	No restriction on our right to assign the Preliminary Agreement, the Franchise Agreement or the Development Agreement.
k. "Transfer" by franchisee – definition	Section 6 of the Preliminary Agreement Section 12 of the Franchise Agreement Section 7 of the Development Agreement	You may not assign the Preliminary Agreement. Transfer of Franchise Agreement includes transfer of any right or interest in the Franchise Agreement or in an entity to which you have assigned the agreement for convenience of ownership. Transfer of the Development Agreement includes sale, assignment, transfer, conveyance, gift, pledge, mortgage or encumbrance of any interest in the Development Agreement, in you, or in substantially all of your assets. Transfer includes transfer of any right or interest in the Development Agreement or in an entity to which you have assigned the agreement for convenience of ownership.
l. Franchisor's approval of transfer by franchisee	Section 12 of the Franchise Agreement Section 7 of the Development Agreement	We have the right to approve all transfers.
m. Conditions for franchisor's approval of transfer	Section 12 of the Franchise Agreement Section 7 of the Development Agreement	For transfer to a third party: You must pay us all amounts due; you sign a general release; you terminate the Franchise Agreement and transferee enters into our then current form of franchise agreement (modified by an amendment required for transfers), or at our option, you and transferee enter into an assignment and assumption agreement; transferee qualifies; background check fee on transferees paid; transferee satisfies all licensing requirements and obtains a license to operate a childcare center; initial training and transfer support fee paid; transfer fee paid; transfer deposit paid; transferee pays us an initial license fee; transferee pays us an initial marketing fee; transferee satisfactorily completes training; you complete or new transferee agrees to complete repairs and remodeling as required, including any IT upgrades identified in the IT equipment inventory survey; you and transferee sign all other required documents; you may not continue to work at the School as a consultant to the transferee or otherwise after the sale; and transferee adopts and implements the then-current curriculum and education program. For transfer to corporation or other entity:

Provision	Section in franchise or other agreement	Summary
		corporation or other entity must be newly organized and activities will be confined exclusively to operation of the School; you will own 100% of the ownership interest in corporation or other entity, and except that a minority interest may be owned by persons who agreed to guarantee obligations of the transferee and to be bound jointly and severally by the Franchise Agreement; and you will satisfy all other documentation requirements. You may not transfer any Annex or Satellite Location separately from the associated School. We may consider your request to add persons as individual franchisees to the Franchise Agreement, Development Agreement, and/or the Assignment and Assumption Agreement in a transaction we do not consider a transfer in our sole business judgment. You must pay franchisee add-on fee and background check fee on persons to be added if more than 2; you must satisfy applicable criteria above that would apply in a transfer, and you and persons to be added must sign all required documents. For transfer under the Development Agreement: You must pay us all amounts due; you sign a general release; transferee signs a written agreement assuming and agreeing to discharge all of your obligations under the Development Agreement; transferee qualifies; transferee satisfies all licensing and other requirements; you and transferee sign all other required documents; you must include the sale or transfer of all of your Schools then owned by you. For transfer to corporation or other entity formed solely for convenience of ownership: entity must be newly organized and activities will be confined exclusively to operation of the business under the Development Agreement; you will own 100% of the ownership interest in the entity, except that a minority interest may be owned by persons who agree to guarantee obligations of the transferee and to be bound jointly and severally by the Development Agreement; and you will satisfy all other documentation requirements.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 15 of the Franchise Agreement	If you or an entity affiliated with you owns the School premises, we will have a right of first refusal to purchase the premises.

Provision	Section in franchise or other agreement	Summary
o. Franchisor's option to purchase franchisee's business	Section 15 of the Franchise Agreement	We have the option to purchase the assets of the business upon termination or expiration of the Franchise Agreement. We also have the option to lease your premises upon termination or expiration. Our option may be exercised at fair market value, determined by appraisal if parties are unable to agree.
p. Franchisee's death or disability	Section 12E of the Franchise Agreement	Heirs may continue to operate provided they meet our standards for a transferee, including signing our then-current Franchise Agreement and related agreements.
q. Non-competition covenants during the term of the franchise	Section 3F and Section 3I of the Preliminary Agreement Section 16B of the Franchise Agreement Section 9.B. of the Development Agreement	Your Designated On-Site Operator will devote full time, energy and efforts to operation of the School. You will not: divert any business or customer of business to any competitor; own, maintain, engage in, be employed by, lease real estate to, consult with or assist in any way, finance, or have any interest in any other related business specializing in child daycare or preschool learning center or business (subject to state law; see **Exhibit H**). You will not: divert or attempt to divert any business or customer of business to any competitor; own, maintain, engage in, be employed by, lease real estate to, consult with or assist in any way, finance, or have any interest in any other child daycare or preschool learning center or business (subject to state law; see **Exhibit H**).
r. Non-competition covenants after the franchise is terminated or expires	Section 3G of the Preliminary Agreement Section 16C of the Franchise Agreement Section 9.C. of the Development Agreement	You covenant that for a period of 2 years following termination, expiration or transfer of the Preliminary Agreement, if you do not enter into the Franchise Agreement, and for a period of 3 years following termination, expiration or transfer, you will not (i) divert any business or customer of the business to any competitor; or (ii) own, maintain, engage in, be employed by, lease real estate to, consult with or assist in any way, finance, or have any interest in any business specializing in child daycare or preschool learning center or business (other than another School for which you are a franchisee under an effective Franchise Agreement with us) at the School or within 10 miles of the School or any existing or proposed School (subject to state law; see **Exhibit H**). Under the Development Agreement, for a period of 2 years after the expiration, termination or transfer, you will not: (i) divert or attempt to divert any business or customer of business to any competitor or perform any act injurious or prejudicial to the goodwill associated with the Proprietary Marks or System; (ii) own, maintain, engage in, be employed by, lease real estate to, consult with or assist in any way, finance, or have any interest in any other daycare

Provision	Section in franchise or other agreement	Summary
		or preschool learning center or business, within the Development Area or a 10-mile radius of the Development Area.
s. Modification of the agreement	Section 9 of Preliminary Agreement Section 21 of the Franchise Agreement Section 14 of the Development Agreement	No modifications generally unless in writing signed by both parties but Manual is subject to change.
t. Integration / merger clause	Section 21 of the Franchise Agreement Section 14 of the Development Agreement	Only terms of Franchise Agreement and Development Agreement including all schedules, exhibits, and ancillary agreements, are binding (subject to state law; see **Exhibit H**). Any statements or promises not in the Franchise Agreement, Development Agreement or in this disclosure document should not be relied upon and may not be enforceable.
u. Dispute resolution by arbitration or mediation	None	Not applicable
v. Choice of forum *	Section 10 of the Preliminary Agreement Section 23 of the Franchise Agreement Section 16.B. of the Development Agreement	Litigation in the state or federal court of general jurisdiction in the county or district in which our headquarters is located (unless prohibited by laws of the state where the School is located; see **Exhibit H**). We may obtain injunctive relief in any appropriate forum for your unauthorized use of our trademark, or for your violation of any noncompetition covenants.
w. Choice of law *	Section 10 of the Preliminary Agreement Section 23 of the Franchise Agreement Section 16.A. of the Development Agreement	Pennsylvania law applies; if we move our headquarters, we may choose to have the law of the new state apply by giving you notice within 6 months of our move (unless prohibited by laws of the state where the School is located; see **Exhibit H**).

* California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin may require franchisors to make additional disclosures related to the information contained in this disclosure document and to amend the franchise agreement to address inconsistencies between the franchise agreement and state law in some areas. If applicable, these additional disclosures and amendments will be furnished to you in a state specific addendum to this disclosure document. See **Exhibit H** to this disclosure document.

A provision in the Franchise Agreement which terminates the Franchise Agreement upon your bankruptcy may not be enforceable under Title 11, United States Code Sections 101 *et seq*.

Item 18

PUBLIC FIGURES

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

STATEMENT OF GROSS REVENUE AND EBITDA FOR MATURE SCHOOLS AND NEW SCHOOLS IN OPERATION AS OF DECEMBER 31, 2023 FOR THE YEAR ENDED DECEMBER 31, 2023

The following is a report, divided into two groups, mature schools open over 18 months as of December 31, 2023 (the "**Mature Schools**") and new schools open 18 months or less as of December 31, 2023 (the "**New Schools**"), identifying the actual Gross Revenue, payroll, occupancy (representing rent plus property tax expense) and miscellaneous operating expenses prepared on a cash basis for the year ended December 31, 2023 for all The Goddard School businesses operating as of December 31, 2023. The net result of these items is "**EBITDA**" which is defined as Gross Revenue less all expenses directly related to operating the School excluding interest, taxes, depreciation and amortization. EBITDA is an acronym for **E**arnings **B**efore **I**nterest, **T**axes, **D**epreciation and **A**mortization. The report also includes an average "**EBITDAR**," which is defined as EBITDA excluding rent related expenses (occupancy expenses). The items included in the expense category identified as miscellaneous items include bank charges, office supplies, utilities, telephone, transportation, payroll taxes, employee costs, marketing, royalties, repairs and maintenance, school supplies, snacks, technology, marketing and professional fees. The expenses reported may also include miscellaneous items that are subject to the discretionary spending of the individual franchisee. "Gross Revenue" is determined on an accrual basis and represents the amount billed by a School for all services or products of any nature rendered or sold at or from or as a result of the School, and without deduction of any kind. (School services are not currently subject to sales taxes or similar taxes.) The first grouping in the report, Mature Schools, includes averages for the data reported for all Schools open more than 18 months as of December 31, 2023 for the year ended December 31, 2023. The report has not been audited.

As of December 31, 2023, there were 627 Schools in operation, all of which 627 Schools were owned by franchisees. Of these 627 Schools, 589 Schools are Mature Schools and 38 are New Schools. One Mature School closed during 2023; however, information regarding this Mature School is included in the report. Of the 38 New Schools, 1 was not operational for at least one month as of December 31, 2023. As a result, information regarding this New School is not included in the report. None of the New Schools closed during 2023.

The figures in the report have been compiled from operating reports supplied under the Franchise Agreement by franchisees. All of the Schools report financial information to us or Goddard Manager based upon a uniform reporting system. Neither we nor Goddard Manager have audited these figures. The order in which the Schools' information appears in the report is random.

We offer substantially the same services to all of the Schools described in the report. The Schools offer substantially the same services to the public.

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FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	1		2		3		4		5	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,267,594		1,816,085		2,974,990		1,365,903		2,442,848	
Payroll	676,170	53%	648,051	36%	1,231,225	41%	447,105	33%	1,131,423	46%
Occupancy	137,582	11%	241,372	13%	144,000	5%	258,981	19%	192,905	8%
Misc Items	449,196	35%	506,640	28%	604,879	20%	324,385	24%	685,278	28%
Total Expenses	1,262,948		1,396,063		1,980,104		1,030,471		2,009,606	
EBITDA	4,646	0%	420,022	23%	994,886	33%	335,432	25%	433,242	18%

	6		7		8		9		10	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	3,109,132		2,830,595		1,702,092		1,667,990		1,125,166	
Payroll	954,397	31%	980,000	35%	677,876	40%	579,800	35%	443,523	39%
Occupancy	406,676	13%	306,000	11%	288,931	17%	193,569	12%	217,350	19%
Misc Items	1,022,422	33%	967,528	34%	362,758	21%	473,670	28%	325,643	29%
Total Expenses	2,383,495		2,253,528		1,329,565		1,247,039		986,516	
EBITDA	725,637	23%	577,067	20%	372,527	22%	420,951	25%	138,650	12%

	11		12		13		14		15	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,434,093		2,142,246		1,999,073		1,699,373		2,623,308	
Payroll	1,040,694	43%	787,594	37%	728,884	36%	1,234,058	73%	1,234,728	47%
Occupancy	211,895	9%	187,864	9%	270,600	14%	261,062	15%	322,368	12%
Misc Items	665,139	27%	585,249	27%	548,675	27%	531,732	31%	884,969	34%
Total Expenses	1,917,728		1,560,707		1,548,159		2,026,852		2,442,065	
EBITDA	516,365	21%	581,539	27%	450,914	23%	(327,479)	-19%	181,243	7%

	16		17		18	(d)	19		20	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,014,127		1,341,064		715,968		2,062,851		2,839,524	
Payroll	788,896	39%	449,634	34%	307,460	43%	831,859	40%	1,093,369	39%
Occupancy	169,475	8%	257,032	19%	255,745	36%	203,067	10%	279,835	10%
Misc Items	552,041	27%	427,733	32%	158,906	22%	563,297	27%	621,982	22%
Total Expenses	1,510,412		1,134,399		722,111		1,598,223		1,995,186	
EBITDA	503,715	25%	206,665	15%	(6,143)	-1%	464,628	23%	844,338	30%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	21		22		23		24		25	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,133,388		2,618,244		3,410,213		5,759,810		2,093,577	
Payroll	1,028,320	48%	1,122,769	43%	1,211,578	36%	2,221,389	39%	875,984	42%
Occupancy	534,571	25%	283,869	11%	609,889	18%	227,184	4%	261,500	12%
Misc Items	597,608	28%	647,935	25%	687,357	20%	1,630,518	28%	481,500	23%
Total Expenses	2,160,499		2,054,573		2,508,824		4,079,091		1,618,984	
EBITDA	(27,111)	-1%	563,671	22%	901,389	26%	1,680,719	29%	474,593	23%

	26		27		28		29		30	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,709,621		1,794,120		2,160,357		2,096,047		1,921,540	
Payroll	725,280	42%	722,462	40%	812,990	38%	999,502	48%	751,312	39%
Occupancy	386,562	23%	267,516	15%	235,000	11%	235,525	11%	255,324	13%
Misc Items	600,382	35%	514,884	29%	553,623	26%	604,597	29%	523,230	27%
Total Expenses	1,712,224		1,504,862		1,601,613		1,839,624		1,529,866	
EBITDA	(2,603)	0%	289,258	16%	558,744	26%	256,423	12%	391,674	20%

	31		32		33		34		35	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,956,862		2,503,594		1,759,127		2,333,190		1,366,980	
Payroll	1,158,757	39%	1,032,910	41%	788,495	45%	873,506	37%	581,780	43%
Occupancy	477,615	16%	253,454	10%	224,267	13%	191,376	8%	193,494	14%
Misc Items	866,895	29%	759,100	30%	492,646	28%	563,432	24%	359,691	26%
Total Expenses	2,503,267		2,045,464		1,505,408		1,628,314		1,134,965	
EBITDA	453,595	15%	458,130	18%	253,719	14%	704,876	30%	232,015	17%

	36		37		38		39		40	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,630,475		1,966,277		1,953,648		1,331,748		2,205,899	
Payroll	669,376	41%	612,918	31%	744,377	38%	604,742	45%	824,144	37%
Occupancy	265,500	16%	249,151	13%	213,900	11%	243,253	18%	307,503	14%
Misc Items	694,295	43%	704,248	36%	638,469	33%	326,856	25%	582,673	26%
Total Expenses	1,629,171		1,566,317		1,596,746		1,174,851		1,714,320	
EBITDA	1,304	0%	399,960	20%	356,902	18%	156,897	12%	491,579	22%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	41		42		43		44		45	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,335,169		2,884,392		1,901,158		2,149,970		1,950,087	
Payroll	610,906	46%	948,141	33%	803,260	42%	860,147	40%	785,890	40%
Occupancy	232,320	17%	326,400	11%	254,791	13%	244,081	11%	431,613	22%
Misc Items	480,584	36%	622,072	22%	542,406	29%	583,489	27%	495,640	25%
Total Expenses	1,323,810		1,896,613		1,600,457		1,687,717		1,713,143	
EBITDA	11,359	1%	987,779	34%	300,701	16%	462,253	22%	236,944	12%

	46		47		48		49		50	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,303,814		2,787,886		3,264,029		1,820,958		1,807,641	
Payroll	720,435	31%	1,074,110	39%	1,324,578	41%	746,160	41%	706,935	39%
Occupancy	330,542	14%	300,000	11%	251,176	8%	321,390	18%	266,977	15%
Misc Items	493,982	21%	479,686	17%	767,730	24%	494,873	27%	422,122	23%
Total Expenses	1,544,959		1,853,796		2,343,484		1,562,423		1,396,034	
EBITDA	758,855	33%	934,090	34%	920,545	28%	258,535	14%	411,607	23%

	51		52		53		54		55	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,702,544		1,378,670		2,942,845		1,339,442		1,949,808	
Payroll	644,902	38%	522,772	38%	1,442,959	49%	510,789	38%	556,596	29%
Occupancy	173,507	10%	182,375	13%	380,323	13%	379,915	28%	360,379	18%
Misc Items	573,801	34%	360,998	26%	655,020	22%	353,401	26%	530,889	27%
Total Expenses	1,392,210		1,066,145		2,478,302		1,244,105		1,447,864	
EBITDA	310,334	18%	312,525	23%	464,543	16%	95,337	7%	501,944	26%

	56		57		58		59		60	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,516,012		1,190,091		1,966,136		3,119,967		3,312,258	
Payroll	1,050,804	42%	609,098	51%	731,284	37%	1,342,835	43%	940,089	28%
Occupancy	196,251	8%	183,000	15%	258,979	13%	299,882	10%	458,534	14%
Misc Items	600,063	24%	454,679	38%	476,091	24%	865,440	28%	831,496	25%
Total Expenses	1,847,118		1,246,777		1,466,354		2,508,157		2,230,119	
EBITDA	668,894	27%	(56,686)	-5%	499,782	25%	611,810	20%	1,082,139	33%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	61		62		63		64		65	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,766,805		941,361		1,881,139		1,901,566		2,079,245	
Payroll	984,934	36%	384,042	41%	796,316	42%	742,728	39%	1,079,031	52%
Occupancy	606,400	22%	251,293	27%	136,287	7%	358,560	19%	232,023	11%
Misc Items	750,842	27%	371,254	39%	534,975	28%	547,878	29%	585,824	28%
Total Expenses	2,342,176		1,006,589		1,467,578		1,649,166		1,896,878	
EBITDA	424,629	15%	(65,228)	-7%	413,561	22%	252,400	13%	182,367	9%

	66		67		68		69		70	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,889,978		2,468,918		1,773,891		1,943,013		1,822,126	
Payroll	601,137	32%	1,024,892	42%	791,254	45%	942,279	48%	570,276	31%
Occupancy	95,668	5%	106,572	4%	249,202	14%	240,699	12%	289,524	16%
Misc Items	739,766	39%	498,108	20%	418,713	24%	522,786	27%	381,045	21%
Total Expenses	1,436,571		1,629,572		1,459,169		1,705,764		1,240,845	
EBITDA	453,407	24%	839,346	34%	314,722	18%	237,249	12%	581,281	32%

	71		72		73		74		75	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,197,347		3,219,516		2,096,349		1,353,113		1,704,902	
Payroll	463,354	39%	1,136,788	35%	895,831	43%	581,250	43%	668,600	39%
Occupancy	406,000	34%	482,036	15%	226,000	11%	151,631	11%	227,494	13%
Misc Items	514,328	43%	897,459	28%	697,947	33%	368,675	27%	473,303	28%
Total Expenses	1,383,682		2,516,283		1,819,778		1,101,556		1,369,397	
EBITDA	(186,335)	-16%	703,233	22%	276,571	13%	251,557	19%	335,505	20%

	76		77		78		79		80	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	3,190,415		3,598,113		1,756,286		2,475,298		2,333,173	
Payroll	1,214,410	38%	1,190,501	33%	617,721	35%	883,734	36%	832,273	36%
Occupancy	242,415	8%	419,662	12%	187,632	11%	225,166	9%	300,181	13%
Misc Items	741,378	23%	1,012,893	28%	360,457	21%	578,603	23%	598,820	26%
Total Expenses	2,198,203		2,623,056		1,165,810		1,687,503		1,731,274	
EBITDA	992,212	31%	975,057	27%	590,476	34%	787,795	32%	601,899	26%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	81		82		83		84		85	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,096,970		2,251,053		2,032,439		1,772,669		2,910,033	
Payroll	805,829	38%	754,934	34%	720,832	35%	747,540	42%	1,144,124	39%
Occupancy	259,018	12%	363,823	16%	340,272	17%	313,102	18%	451,690	16%
Misc Items	573,733	27%	568,841	25%	546,310	27%	485,042	27%	754,634	26%
Total Expenses	1,638,580		1,687,598		1,607,414		1,545,684		2,350,448	
EBITDA	458,390	22%	563,455	25%	425,025	21%	226,985	13%	559,585	19%

	86		87		88		89		90	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,160,199		2,634,422		2,236,077		2,705,145		3,210,827	
Payroll	1,000,976	46%	1,003,053	38%	956,080	43%	1,212,328	45%	1,419,721	44%
Occupancy	162,755	8%	403,936	15%	465,211	21%	248,299	9%	363,588	11%
Misc Items	485,181	22%	752,079	29%	674,368	30%	755,657	28%	826,803	26%
Total Expenses	1,648,912		2,159,068		2,095,659		2,216,284		2,610,112	
EBITDA	511,287	24%	475,354	18%	140,418	6%	488,861	18%	600,715	19%

	91		92		93		94		95	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,563,164		2,297,246		1,348,220		1,961,830		1,156,199	
Payroll	822,103	32%	769,039	33%	544,860	40%	733,054	37%	507,755	44%
Occupancy	261,884	10%	230,400	10%	228,961	17%	399,486	20%	186,000	16%
Misc Items	686,893	27%	540,724	24%	331,819	25%	585,668	30%	405,584	35%
Total Expenses	1,770,880		1,540,163		1,105,640		1,718,208		1,099,339	
EBITDA	792,284	31%	757,083	33%	242,580	18%	243,622	12%	56,860	5%

	96		97		98		99		100	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,373,301		2,141,153		1,391,057		2,582,974		1,963,318	
Payroll	548,850	40%	702,638	33%	544,458	39%	1,142,330	44%	892,319	45%
Occupancy	204,000	15%	220,740	10%	291,000	21%	306,228	12%	321,600	16%
Misc Items	336,325	24%	628,814	29%	527,637	38%	797,667	31%	552,595	28%
Total Expenses	1,089,175		1,552,192		1,363,095		2,246,225		1,766,514	
EBITDA	284,126	21%	588,961	28%	27,962	2%	336,749	13%	196,804	10%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	101		102		103		104		105	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,124,130		2,082,626		2,326,812		3,152,674		1,789,379	
Payroll	761,767	36%	621,796	30%	742,880	32%	1,146,934	36%	786,601	44%
Occupancy	230,094	11%	265,410	13%	267,805	12%	199,080	6%	252,000	14%
Misc Items	460,840	22%	786,307	38%	806,849	35%	727,801	23%	592,701	33%
Total Expenses	1,452,701		1,673,513		1,817,534		2,073,815		1,631,302	
EBITDA	671,429	32%	409,113	20%	509,278	22%	1,078,859	34%	158,077	9%

	106		107		108		109		110	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,625,127		2,290,394		3,428,131		2,546,014		2,019,150	
Payroll	762,299	47%	637,011	28%	1,287,640	38%	1,100,228	43%	949,452	47%
Occupancy	340,024	21%	434,600	19%	361,185	11%	263,006	10%	327,000	16%
Misc Items	419,326	26%	352,825	15%	830,888	24%	1,246,985	49%	559,915	28%
Total Expenses	1,521,649		1,424,436		2,479,713		2,610,219		1,836,367	
EBITDA	103,478	6%	865,958	38%	948,418	28%	(64,205)	-3%	182,783	9%

	111		112		113		114		115	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,178,921		2,603,888		1,529,956		2,142,046		2,818,252	
Payroll	771,883	35%	766,842	29%	631,542	41%	887,329	41%	888,947	32%
Occupancy	330,000	15%	175,901	7%	338,569	22%	224,185	10%	248,706	9%
Misc Items	731,376	34%	601,636	23%	406,558	27%	517,575	24%	694,872	25%
Total Expenses	1,833,259		1,544,379		1,376,669		1,629,089		1,832,525	
EBITDA	345,662	16%	1,059,509	41%	153,287	10%	512,957	24%	985,727	35%

	116		117		118		119		120	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,131,739		4,409,912		3,346,435		1,521,067		1,630,597	
Payroll	804,969	38%	1,645,293	37%	1,039,205	31%	748,980	49%	691,691	42%
Occupancy	381,864	18%	582,000	13%	214,992	6%	238,341	16%	223,692	14%
Misc Items	634,337	30%	930,915	21%	670,892	20%	460,981	30%	461,654	28%
Total Expenses	1,821,170		3,158,208		1,925,089		1,448,302		1,377,037	
EBITDA	310,569	15%	1,251,704	28%	1,421,346	42%	72,765	5%	253,560	16%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)
Mature Franchise Schools (open over 18 months)

	121		122		123		124		125	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,992,983		2,699,812		2,162,640		2,179,606		2,028,867	
Payroll	788,101	40%	800,078	30%	808,592	37%	943,942	43%	754,487	37%
Occupancy	270,520	14%	364,147	13%	257,085	12%	225,657	10%	212,523	10%
Misc Items	866,265	43%	551,332	20%	506,227	23%	661,807	30%	446,796	22%
Total Expenses	1,924,886		1,715,557		1,571,904		1,831,406		1,413,806	
EBITDA	68,097	3%	984,255	36%	590,736	27%	348,200	16%	615,061	30%

	126		127		128		129		130	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,771,945		2,051,890		2,256,988		1,653,918		3,133,544	
Payroll	674,097	38%	912,431	44%	857,305	38%	667,816	40%	1,204,751	38%
Occupancy	259,360	15%	100,296	5%	242,254	11%	168,000	10%	334,009	11%
Misc Items	437,113	25%	633,550	31%	544,786	24%	431,396	26%	736,204	23%
Total Expenses	1,370,570		1,646,277		1,644,345		1,267,212		2,274,964	
EBITDA	401,375	23%	405,613	20%	612,643	27%	386,706	23%	858,580	27%

	131		132		133		134		135	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,292,204		939,896		2,095,206		1,696,209		1,139,136	
Payroll	842,270	37%	447,898	48%	832,029	40%	806,788	48%	596,453	52%
Occupancy	198,000	9%	35,000	4%	234,504	11%	366,972	22%	200,000	18%
Misc Items	628,278	27%	198,174	21%	876,358	42%	458,024	27%	454,266	40%
Total Expenses	1,668,548		681,072		1,942,891		1,631,784		1,250,719	
EBITDA	623,656	27%	258,824	28%	152,315	7%	64,425	4%	(111,583)	-10%

	136		137		138		139		140	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	3,086,451		2,356,801		2,078,355		1,964,598		2,322,777	
Payroll	1,113,531	36%	954,833	41%	691,077	33%	576,851	29%	800,727	34%
Occupancy	453,700	15%	325,166	14%	464,087	22%	173,496	9%	239,345	10%
Misc Items	767,109	25%	627,363	27%	528,658	25%	397,089	20%	562,976	24%
Total Expenses	2,334,340		1,907,362		1,683,822		1,147,436		1,603,048	
EBITDA	752,111	24%	449,439	19%	394,533	19%	817,162	42%	719,729	31%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	141		142		143		144		145	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,582,272		4,495,513		3,364,412		2,963,619		3,145,378	
Payroll	808,314	31%	1,766,921	39%	1,406,624	42%	824,034	28%	1,278,241	41%
Occupancy	201,424	8%	422,561	9%	662,052	20%	294,348	10%	270,547	9%
Misc Items	564,802	22%	917,065	20%	901,456	27%	475,628	16%	605,575	19%
Total Expenses	1,574,540		3,106,547		2,970,132		1,594,010		2,154,363	
EBITDA	1,007,732	39%	1,388,966	31%	394,280	12%	1,369,609	46%	991,015	32%

	146		147		148		149		150	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,709,753		2,758,593		1,709,075		1,945,863		1,665,746	
Payroll	740,862	43%	1,089,628	39%	907,878	53%	1,014,110	52%	566,422	34%
Occupancy	188,400	11%	355,573	13%	201,500	12%	305,628	16%	245,358	15%
Misc Items	449,885	26%	715,218	26%	414,670	24%	509,576	26%	343,354	21%
Total Expenses	1,379,147		2,160,419		1,524,048		1,829,314		1,155,134	
EBITDA	330,606	19%	598,174	22%	185,027	11%	116,549	6%	510,612	31%

	151		152		153		154		155	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	3,365,340		2,164,178		1,545,046		1,718,224		2,244,999	
Payroll	1,250,856	37%	1,021,400	47%	592,645	38%	823,537	48%	930,639	41%
Occupancy	319,170	9%	344,582	16%	289,678	19%	281,711	16%	491,826	22%
Misc Items	659,033	20%	576,301	27%	366,512	24%	460,920	27%	896,135	40%
Total Expenses	2,229,059		1,942,283		1,248,835		1,566,168		2,318,600	
EBITDA	1,136,281	34%	221,895	10%	296,211	19%	152,056	9%	(73,601)	-3%

	156		157		158		159		160	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,867,610		1,688,867		2,169,409		1,315,969		1,419,037	
Payroll	1,214,299	42%	673,560	40%	617,065	28%	579,393	44%	489,651	35%
Occupancy	317,619	11%	189,000	11%	244,280	11%	217,356	17%	244,800	17%
Misc Items	688,129	24%	382,795	23%	542,686	25%	456,926	35%	395,089	28%
Total Expenses	2,220,047		1,245,355		1,404,031		1,253,675		1,129,540	
EBITDA	647,563	23%	443,512	26%	765,378	35%	62,294	5%	289,497	20%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	161		162		163		164		165	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,086,638		1,892,628		1,896,359		3,262,839		1,307,933	
Payroll	901,201	43%	882,621	47%	703,319	37%	1,209,856	37%	694,420	53%
Occupancy	269,451	13%	307,244	16%	10,650	1%	335,762	10%	271,300	21%
Misc Items	644,033	31%	485,580	26%	445,725	24%	991,514	30%	362,620	28%
Total Expenses	1,814,685		1,675,445		1,159,694		2,537,132		1,328,340	
EBITDA	271,953	13%	217,183	11%	736,665	39%	725,707	22%	(20,407)	-2%

	166		167		168		169		170	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,391,601		2,742,491		2,242,215		369,395		1,632,835	
Payroll	597,745	43%	992,376	36%	701,951	31%	137,575	37%	630,040	39%
Occupancy	309,000	22%	227,712	8%	359,579	16%	271,966	74%	229,744	14%
Misc Items	355,649	26%	696,585	25%	776,585	35%	113,672	31%	386,268	24%
Total Expenses	1,262,394		1,916,673		1,838,115		523,213		1,246,052	
EBITDA	129,207	9%	825,818	30%	404,100	18%	(153,818)	-42%	386,783	24%

	171		172		173		174		175	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,660,903		2,762,905		2,697,372		3,342,775		6,305,244	
Payroll	745,358	45%	1,102,631	40%	755,245	28%	1,439,537	43%	1,978,014	31%
Occupancy	251,266	15%	322,907	12%	323,760	12%	301,663	9%	581,784	9%
Misc Items	391,822	24%	611,606	22%	547,110	20%	919,706	28%	1,025,396	16%
Total Expenses	1,388,446		2,037,144		1,626,115		2,660,906		3,585,194	
EBITDA	272,457	16%	725,761	26%	1,071,257	40%	681,869	20%	2,720,050	43%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	176		177		178		179		180	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,082,786		1,722,944		1,998,103		3,471,315		1,799,075	
Payroll	727,823	35%	738,085	43%	733,297	37%	1,430,665	41%	917,804	51%
Occupancy	251,283	12%	157,740	9%	219,282	11%	400,525	12%	252,000	14%
Misc Items	738,768	35%	400,009	23%	504,285	25%	937,033	27%	589,336	33%
Total Expenses	1,717,874		1,295,834		1,456,864		2,768,223		1,759,140	
EBITDA	364,912	18%	427,110	25%	541,239	27%	703,092	20%	39,935	2%

	181		182		183		184		185	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,071,240		1,490,726		2,691,163		1,204,383		1,972,163	
Payroll	912,179	44%	675,553	45%	1,203,249	45%	619,569	51%	737,260	37%
Occupancy	300,648	15%	132,000	9%	403,220	15%	391,827	33%	214,703	11%
Misc Items	576,009	28%	534,595	36%	795,179	30%	330,923	27%	606,303	31%
Total Expenses	1,788,836		1,342,148		2,401,648		1,342,319		1,558,266	
EBITDA	282,404	14%	148,578	10%	289,515	11%	(137,936)	-11%	413,897	21%

	186		187		188		189		190	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,895,873		2,626,539		2,343,451		1,868,382		1,784,682	
Payroll	768,404	41%	1,012,849	39%	913,938	39%	701,984	38%	708,348	40%
Occupancy	373,432	20%	277,788	11%	250,765	11%	300,960	16%	165,761	9%
Misc Items	542,484	29%	592,232	23%	646,381	28%	614,110	33%	397,674	22%
Total Expenses	1,684,320		1,882,869		1,811,084		1,617,054		1,271,783	
EBITDA	211,553	11%	743,670	28%	532,367	23%	251,328	13%	512,899	29%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	191		192		193		194		195	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,665,503		2,284,950		4,247,594		2,256,829		2,683,471	
Payroll	1,022,055	38%	1,068,410	47%	1,875,152	44%	1,026,566	45%	999,211	37%
Occupancy	196,524	7%	356,540	16%	315,000	7%	415,841	18%	291,408	11%
Misc Items	555,837	21%	717,315	31%	1,018,854	24%	632,985	28%	625,399	23%
Total Expenses	1,774,416		2,142,265		3,209,006		2,075,392		1,916,018	
EBITDA	891,087	33%	142,685	6%	1,038,588	24%	181,437	8%	767,453	29%

	196		197		198		199		200	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,826,212		2,714,423		3,810,712		1,439,433		1,346,452	
Payroll	1,205,146	43%	1,186,510	44%	1,244,292	33%	608,064	42%	533,734	40%
Occupancy	442,837	16%	335,736	12%	201,968	5%	223,029	15%	198,318	15%
Misc Items	728,990	26%	600,107	22%	702,794	18%	349,878	24%	444,374	33%
Total Expenses	2,376,973		2,122,353		2,149,054		1,180,971		1,176,426	
EBITDA	449,239	16%	592,070	22%	1,661,658	44%	258,462	18%	170,026	13%

	201		202		203		204		205	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,308,431		1,628,272		1,642,602		1,379,902		1,718,848	
Payroll	819,189	35%	756,636	46%	559,724	34%	751,180	54%	772,894	45%
Occupancy	218,584	9%	269,172	17%	390,108	24%	253,500	18%	187,454	11%
Misc Items	527,372	23%	549,376	34%	326,558	20%	684,475	50%	494,208	29%
Total Expenses	1,565,145		1,575,184		1,276,390		1,689,155		1,454,556	
EBITDA	743,286	32%	53,088	3%	366,212	22%	(309,253)	-22%	264,292	15%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	206		207		208		209		210	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,630,232		2,200,282		1,663,587		4,524,444		1,436,508	
Payroll	1,059,531	40%	741,149	34%	522,792	31%	1,732,666	38%	561,082	39%
Occupancy	307,665	12%	354,829	16%	297,730	18%	652,608	14%	224,246	16%
Misc Items	616,999	23%	466,352	21%	317,293	19%	845,463	19%	423,141	29%
Total Expenses	1,984,195		1,562,330		1,137,815		3,230,737		1,208,469	
EBITDA	646,037	25%	637,952	29%	525,772	32%	1,293,707	29%	228,039	16%

	211		212		213		214		215	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	3,312,144		3,383,037		2,311,886		1,372,883		1,704,979	
Payroll	1,324,851	40%	1,061,395	31%	1,060,189	46%	658,160	48%	661,567	39%
Occupancy	516,779	16%	299,152	9%	341,573	15%	254,756	19%	233,534	14%
Misc Items	640,900	19%	1,128,598	33%	566,320	24%	356,395	26%	673,689	40%
Total Expenses	2,482,530		2,489,145		1,968,082		1,269,311		1,568,790	
EBITDA	829,614	25%	893,892	26%	343,804	15%	103,572	8%	136,189	8%

	216		217		218		219		220	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,721,704		1,715,837		2,076,758		3,858,561		1,827,301	
Payroll	1,088,907	40%	881,569	51%	678,997	33%	1,325,884	34%	712,258	39%
Occupancy	312,483	11%	268,605	16%	191,308	9%	457,307	12%	204,976	11%
Misc Items	592,005	22%	618,758	36%	461,578	22%	899,014	23%	449,599	25%
Total Expenses	1,993,395		1,768,932		1,331,883		2,682,205		1,366,833	
EBITDA	728,309	27%	(53,095)	-3%	744,875	36%	1,176,356	30%	460,468	25%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	221		222		223		224		225	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	5,198,336		2,700,258		2,461,845		3,645,274		938,528	
Payroll	2,583,677	50%	855,470	32%	703,207	29%	1,201,860	33%	389,848	42%
Occupancy	1,291,629	25%	282,000	10%	223,985	9%	344,164	9%	199,200	21%
Misc Items	1,280,783	25%	677,112	25%	651,480	26%	1,106,150	30%	200,391	21%
Total Expenses	5,156,089		1,814,582		1,578,672		2,652,174		789,439	
EBITDA	42,247	1%	885,676	33%	883,173	36%	993,100	27%	149,089	16%

	226		227		228		229		230	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,953,214		2,162,278		4,211,371		3,067,888		6,259,416	
Payroll	857,733	44%	816,311	38%	1,432,605	34%	950,808	31%	2,732,906	44%
Occupancy	197,282	10%	-	0%	361,500	9%	243,950	8%	105,000	2%
Misc Items	390,161	20%	640,830	30%	1,090,119	26%	708,027	23%	1,614,998	26%
Total Expenses	1,445,176		1,457,141		2,884,224		1,902,785		4,452,904	
EBITDA	508,038	26%	705,137	33%	1,327,147	32%	1,165,103	38%	1,806,512	29%

	231		232		233		234		235	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,239,738		1,737,093		1,282,598		3,449,707		1,867,788	
Payroll	652,463	53%	815,294	47%	493,913	39%	1,473,607	43%	698,421	37%
Occupancy	181,346	15%	3,411	0%	180,000	14%	285,139	8%	177,600	10%
Misc Items	334,249	27%	531,757	31%	291,768	23%	964,980	28%	507,195	27%
Total Expenses	1,168,058		1,350,462		965,681		2,723,726		1,383,216	
EBITDA	71,680	6%	386,631	22%	316,917	25%	725,981	21%	484,572	26%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	236		237		238		239		240	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,935,076		2,435,891		2,036,256		1,756,007		1,861,681	
Payroll	781,690	40%	721,058	30%	728,917	36%	809,268	46%	749,212	40%
Occupancy	364,185	19%	503,604	21%	423,864	21%	365,990	21%	211,910	11%
Misc Items	423,862	22%	625,181	26%	587,658	29%	480,927	27%	449,931	24%
Total Expenses	1,569,737		1,849,843		1,740,439		1,656,185		1,411,053	
EBITDA	365,339	19%	586,048	24%	295,817	15%	99,822	6%	450,628	24%

	241		242		243		244		245	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,962,651		2,221,806		3,165,193		1,456,009		2,456,507	
Payroll	847,472	43%	679,599	31%	1,161,578	37%	531,690	37%	858,033	35%
Occupancy	302,053	15%	217,716	10%	220,771	7%	128,100	9%	304,180	12%
Misc Items	487,883	25%	471,083	21%	931,609	29%	388,903	27%	528,655	22%
Total Expenses	1,637,408		1,368,398		2,313,958		1,048,693		1,690,868	
EBITDA	325,243	17%	853,408	38%	851,235	27%	407,316	28%	765,639	31%

	246		247		248		249		250	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,067,229		3,044,374		2,383,408		1,968,051		2,933,452	
Payroll	877,607	42%	1,233,246	41%	792,898	33%	902,937	46%	1,085,450	37%
Occupancy	252,390	12%	399,197	13%	301,832	13%	311,337	16%	480,410	16%
Misc Items	596,661	29%	814,713	27%	877,235	37%	444,173	23%	726,451	25%
Total Expenses	1,726,658		2,447,156		1,971,965		1,658,447		2,292,311	
EBITDA	340,571	16%	597,218	20%	411,443	17%	309,604	16%	641,141	22%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	251		252		253		254		255	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,113,754		2,157,250		1,782,837		1,615,376		1,820,743	
Payroll	884,082	42%	848,710	39%	780,062	44%	644,241	40%	748,707	41%
Occupancy	282,960	13%	215,118	10%	237,233	13%	232,450	14%	209,898	12%
Misc Items	792,957	38%	607,239	28%	480,142	27%	415,836	26%	547,108	30%
Total Expenses	1,959,999		1,671,067		1,497,437		1,292,527		1,505,713	
EBITDA	153,755	7%	486,183	23%	285,400	16%	322,849	20%	315,030	17%

	256		257		258		259		260	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	5,577,053		2,496,167		2,346,288		2,776,226		1,538,629	
Payroll	2,095,756	38%	793,084	32%	789,047	34%	880,044	32%	767,654	50%
Occupancy	722,023	13%	295,210	12%	300,704	13%	355,874	13%	280,000	18%
Misc Items	1,277,183	23%	468,869	19%	588,304	25%	855,348	31%	465,626	30%
Total Expenses	4,094,962		1,557,163		1,678,055		2,091,266		1,513,280	
EBITDA	1,482,091	27%	939,004	38%	668,233	28%	684,960	25%	25,349	2%

	261		262		263		264		265	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,918,767		2,577,439		1,628,365		2,459,566		1,470,435	
Payroll	765,987	40%	1,008,843	39%	711,372	44%	870,856	35%	765,318	52%
Occupancy	232,816	12%	231,564	9%	295,570	18%	330,084	13%	322,161	22%
Misc Items	466,700	24%	810,551	31%	472,010	29%	567,817	23%	480,491	33%
Total Expenses	1,465,503		2,050,958		1,478,952		1,768,757		1,567,970	
EBITDA	453,264	24%	526,481	20%	149,413	9%	690,809	28%	(97,535)	-7%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	266		267		268		269		270	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,367,868		1,636,040		3,320,731		1,367,684		2,044,395	
Payroll	1,058,859	45%	768,146	47%	1,118,842	34%	575,638	42%	881,348	43%
Occupancy	248,796	11%	208,264	13%	393,304	12%	4,511	0%	186,330	9%
Misc Items	648,293	27%	435,207	27%	745,247	22%	646,405	47%	509,956	25%
Total Expenses	1,955,948		1,411,617		2,257,393		1,226,554		1,577,634	
EBITDA	411,920	17%	224,423	14%	1,063,338	32%	141,130	10%	466,761	23%

	271		272		273		274		275	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,879,121		2,307,268		2,062,757		1,269,564		2,826,811	
Payroll	848,918	45%	984,473	43%	839,228	41%	599,628	47%	1,170,002	41%
Occupancy	261,280	14%	211,200	9%	241,734	12%	319,116	25%	307,345	11%
Misc Items	500,618	27%	662,056	29%	467,944	23%	436,653	34%	742,446	26%
Total Expenses	1,610,816		1,857,729		1,548,906		1,355,397		2,219,793	
EBITDA	268,305	14%	449,539	19%	513,851	25%	(85,833)	-7%	607,018	21%

	276		277		278		279		280	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,598,394		1,880,007		1,712,521		2,198,126		1,939,636	
Payroll	611,014	38%	745,890	40%	734,479	43%	923,569	42%	731,734	38%
Occupancy	150,172	9%	232,210	12%	247,838	14%	398,544	18%	160,776	8%
Misc Items	537,957	34%	492,993	26%	374,786	22%	660,990	30%	660,086	34%
Total Expenses	1,299,143		1,471,093		1,357,103		1,983,103		1,552,596	
EBITDA	299,251	19%	408,914	22%	355,418	21%	215,023	10%	387,040	20%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	281		282		283		284		285	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,867,269		2,628,348		1,492,401		2,121,694		2,006,786	
Payroll	821,151	44%	940,549	36%	688,122	46%	769,152	36%	699,890	35%
Occupancy	362,894	19%	153,224	6%	228,615	15%	233,871	11%	269,227	13%
Misc Items	416,997	22%	637,693	24%	527,720	35%	623,829	29%	501,235	25%
Total Expenses	1,601,042		1,731,466		1,444,457		1,626,852		1,470,352	
EBITDA	266,227	14%	896,882	34%	47,944	3%	494,842	23%	536,434	27%

	286		287		288		289		290	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	3,399,965		2,316,262		3,120,627		2,688,805		2,036,286	
Payroll	1,067,694	31%	744,162	32%	1,281,776	41%	1,046,299	39%	757,594	37%
Occupancy	364,996	11%	277,277	12%	444,914	14%	505,566	19%	274,000	13%
Misc Items	779,508	23%	437,794	19%	969,176	31%	664,366	25%	556,515	27%
Total Expenses	2,212,198		1,459,233		2,695,866		2,216,231		1,588,109	
EBITDA	1,187,767	35%	857,029	37%	424,761	14%	472,574	18%	448,177	22%

	291		292		293		294		295	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,989,772		3,032,824		2,812,796		2,331,396		1,928,959	
Payroll	1,321,578	44%	1,124,871	37%	982,800	35%	878,658	38%	856,609	44%
Occupancy	315,801	11%	246,739	8%	373,200	13%	220,308	9%	204,034	11%
Misc Items	709,348	24%	624,589	21%	906,339	32%	608,191	26%	482,764	25%
Total Expenses	2,346,727		1,996,199		2,262,339		1,707,157		1,543,407	
EBITDA	643,045	22%	1,036,625	34%	550,457	20%	624,239	27%	385,552	20%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	296		297		298		299		300	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,172,123		2,970,128		2,406,592		2,303,949		2,346,793	
Payroll	431,158	37%	1,204,276	41%	907,160	38%	904,627	39%	863,066	37%
Occupancy	376,432	32%	386,935	13%	227,844	9%	280,995	12%	408,278	17%
Misc Items	341,926	29%	843,622	28%	461,644	19%	416,018	18%	523,083	22%
Total Expenses	1,149,516		2,434,833		1,596,648		1,601,640		1,794,427	
EBITDA	22,607	2%	535,295	18%	809,944	34%	702,309	30%	552,366	24%

	301		302		303		304		305	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,558,231		2,214,437		1,644,709		2,093,828		2,009,549	
Payroll	624,030	40%	890,532	40%	578,927	35%	714,964	34%	681,073	34%
Occupancy	346,600	22%	338,147	15%	382,795	23%	183,818	9%	156,000	8%
Misc Items	390,621	25%	441,750	20%	404,436	25%	547,283	26%	626,317	31%
Total Expenses	1,361,251		1,670,429		1,366,158		1,446,065		1,463,390	
EBITDA	196,980	13%	544,008	25%	278,551	17%	647,763	31%	546,159	27%

	306		307		308		309		310	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,802,694		1,365,534		2,841,961		1,723,311		2,184,252	
Payroll	770,240	43%	652,501	48%	1,036,740	36%	776,055	45%	892,777	41%
Occupancy	183,566	10%	189,460	14%	461,000	16%	199,852	12%	36,236	2%
Misc Items	508,191	28%	391,184	29%	631,102	22%	523,491	30%	469,500	21%
Total Expenses	1,461,997		1,233,145		2,128,842		1,499,398		1,398,513	
EBITDA	340,697	19%	132,389	10%	713,119	25%	223,913	13%	785,739	36%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	311		312		313		314		315	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,826,506		3,315,865		2,530,640		2,471,629		2,329,204	
Payroll	795,649	44%	1,212,157	37%	1,146,140	45%	741,306	30%	790,968	34%
Occupancy	153,548	8%	582,684	18%	371,186	15%	140,699	6%	335,983	14%
Misc Items	466,696	26%	1,012,005	31%	593,805	23%	549,516	22%	630,589	27%
Total Expenses	1,415,893		2,806,846		2,111,131		1,431,521		1,757,540	
EBITDA	410,613	22%	509,019	15%	419,509	17%	1,040,108	42%	571,664	25%

	316		317		318		319		320	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,880,868		3,905,402		2,320,321		2,489,863		1,822,503	
Payroll	780,713	42%	1,463,105	37%	918,565	40%	1,145,247	46%	798,793	44%
Occupancy	214,644	11%	416,737	11%	290,592	13%	169,175	7%	494,316	27%
Misc Items	362,667	19%	829,950	21%	533,699	23%	711,563	29%	477,742	26%
Total Expenses	1,358,024		2,709,792		1,742,856		2,025,985		1,770,851	
EBITDA	522,844	28%	1,195,610	31%	577,465	25%	463,878	19%	51,652	3%

	321		322		323		324		325	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,080,401		1,326,277		2,414,906		2,265,364		6,408,844	
Payroll	833,432	40%	568,603	43%	983,657	41%	961,600	42%	1,807,215	28%
Occupancy	175,903	8%	259,560	20%	250,158	10%	244,482	11%	1,025,977	16%
Misc Items	502,799	24%	336,701	25%	679,063	28%	621,200	27%	1,158,750	18%
Total Expenses	1,512,134		1,164,864		1,912,878		1,827,282		3,991,942	
EBITDA	568,267	27%	161,413	12%	502,028	21%	438,082	19%	2,416,902	38%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	326		327		328		329		330	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,979,726		1,552,937		2,297,241		3,365,120		1,875,875	
Payroll	803,521	41%	580,993	37%	893,659	39%	1,173,262	35%	676,894	36%
Occupancy	283,187	14%	271,238	17%	235,609	10%	337,675	10%	156,200	8%
Misc Items	658,830	33%	358,851	23%	660,079	29%	1,057,982	31%	452,938	24%
Total Expenses	1,745,538		1,211,082		1,789,347		2,568,919		1,286,032	
EBITDA	234,188	12%	341,855	22%	507,894	22%	796,201	24%	589,843	31%

	331		332		333		334		335	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,379,057		1,933,009		2,221,907		2,388,604		2,506,864	
Payroll	621,458	45%	1,086,579	56%	795,037	36%	960,287	40%	872,760	35%
Occupancy	362,227	26%	1,200,414	62%	295,479	13%	261,128	11%	481,212	19%
Misc Items	415,940	30%	767,776	40%	493,158	22%	592,447	25%	626,506	25%
Total Expenses	1,399,625		3,054,769		1,583,674		1,813,862		1,980,478	
EBITDA	(20,568)	-1%	(1,121,760)	-58%	638,233	29%	574,742	24%	526,386	21%

	336		337		338		339		340	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,044,919		2,804,233		1,841,599		1,408,363		1,821,222	
Payroll	617,874	30%	946,922	34%	598,007	32%	735,951	52%	690,158	38%
Occupancy	483,828	24%	248,263	9%	306,045	17%	190,900	14%	383,053	21%
Misc Items	546,732	27%	746,268	27%	506,379	27%	523,313	37%	414,101	23%
Total Expenses	1,648,434		1,941,453		1,410,431		1,450,164		1,487,312	
EBITDA	396,485	19%	862,780	31%	431,168	23%	(41,801)	-3%	333,910	18%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	341		342		343		344		345	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,863,191		1,902,193		3,088,283		2,447,965		2,454,203	
Payroll	812,219	44%	705,049	37%	1,219,476	39%	895,967	37%	852,497	35%
Occupancy	243,177	13%	243,935	13%	288,745	9%	273,804	11%	655,000	27%
Misc Items	622,753	33%	555,622	29%	920,282	30%	687,524	28%	672,155	27%
Total Expenses	1,678,149		1,504,606		2,428,503		1,857,295		2,179,652	
EBITDA	185,042	10%	397,587	21%	659,780	21%	590,670	24%	274,551	11%

	346		347		348		349		350	(a)
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	975,435		2,132,868		4,749,235		1,974,429		1,824,413	
Payroll	444,174	46%	928,696	44%	1,397,986	29%	886,232	45%	932,824	51%
Occupancy	121,232	12%	265,537	12%	498,712	11%	303,501	15%	232,695	13%
Misc Items	384,450	39%	512,620	24%	790,956	17%	562,188	28%	492,202	27%
Total Expenses	949,856		1,706,853		2,687,654		1,751,921		1,657,721	
EBITDA	25,579	3%	426,015	20%	2,061,581	43%	222,508	11%	166,692	9%

	351		352		353		354		355	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,146,301		4,052,078		2,270,734		2,500,842		2,856,217	
Payroll	857,137	40%	1,178,227	29%	963,452	42%	899,014	36%	1,331,968	47%
Occupancy	282,600	13%	360,000	9%	415,932	18%	132,300	5%	363,907	13%
Misc Items	548,354	26%	856,003	21%	730,241	32%	490,562	20%	628,418	22%
Total Expenses	1,688,091		2,394,230		2,109,625		1,521,876		2,324,293	
EBITDA	458,210	21%	1,657,848	41%	161,109	7%	978,966	39%	531,924	19%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	356		357		358		359		360	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,431,562		1,718,781		2,061,333		2,460,032		3,778,451	
Payroll	1,131,517	47%	655,339	38%	660,721	32%	1,095,685	45%	1,123,753	30%
Occupancy	251,587	10%	228,445	13%	195,000	9%	358,947	15%	281,640	7%
Misc Items	668,370	27%	401,484	23%	423,815	21%	610,932	25%	753,905	20%
Total Expenses	2,051,474		1,285,268		1,279,536		2,065,564		2,159,298	
EBITDA	380,088	16%	433,513	25%	781,797	38%	394,468	16%	1,619,153	43%

	361		362		363		364		365	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,104,965		2,460,651		2,357,335		2,166,956		5,411,999	
Payroll	940,617	45%	949,407	39%	951,723	40%	744,767	34%	1,757,898	32%
Occupancy	304,385	14%	219,974	9%	366,000	16%	243,307	11%	1,024,000	19%
Misc Items	536,162	25%	673,130	27%	711,204	30%	722,156	33%	905,930	17%
Total Expenses	1,781,164		1,842,511		2,028,927		1,710,230		3,687,828	
EBITDA	323,801	15%	618,140	25%	328,408	14%	456,726	21%	1,724,171	32%

	366		367		368		369		370	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	3,129,944		1,294,765		1,999,908		2,249,014		3,975,544	
Payroll	1,302,678	42%	489,808	38%	799,069	40%	1,042,144	46%	1,446,155	36%
Occupancy	293,922	9%	184,735	14%	263,463	13%	207,996	9%	448,606	11%
Misc Items	704,141	22%	372,720	29%	624,960	31%	637,557	28%	1,097,515	28%
Total Expenses	2,300,741		1,047,263		1,687,492		1,887,697		2,992,276	
EBITDA	829,203	26%	247,502	19%	312,416	16%	361,317	16%	983,268	25%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	371 (b)		372		373		374		375	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,109,067		1,866,951		3,846,270		1,398,650		2,516,332	
Payroll	1,054,940	50%	692,166	37%	1,487,608	39%	538,090	38%	909,256	36%
Occupancy	216,000	10%	273,181	15%	240,784	6%	367,800	26%	190,028	8%
Misc Items	534,103	25%	480,635	26%	823,663	21%	447,625	32%	594,010	24%
Total Expenses	1,805,043		1,445,982		2,552,055		1,353,515		1,693,294	
EBITDA	304,024	14%	420,969	23%	1,294,215	34%	45,135	3%	823,038	33%

	376		377		378		379		380	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,753,796		1,321,822		1,288,164		2,202,180		1,163,743	
Payroll	1,531,250	56%	512,970	39%	637,297	49%	700,185	32%	733,701	63%
Occupancy	290,235	11%	216,718	16%	308,100	24%	178,915	8%	116,158	10%
Misc Items	810,926	29%	360,529	27%	361,586	28%	518,540	24%	359,569	31%
Total Expenses	2,632,411		1,090,217		1,306,983		1,397,640		1,209,428	
EBITDA	121,385	4%	231,605	18%	(18,819)	-1%	804,540	37%	(45,685)	-4%

	381		382		383		384		385	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,218,820		3,603,871		1,336,638		3,148,242		3,290,137	
Payroll	725,567	33%	1,168,370	32%	487,826	36%	822,284	26%	1,509,230	46%
Occupancy	247,200	11%	346,282	10%	137,935	10%	419,868	13%	399,135	12%
Misc Items	541,190	24%	906,553	25%	458,276	34%	701,345	22%	932,487	28%
Total Expenses	1,513,957		2,421,205		1,084,037		1,943,497		2,840,852	
EBITDA	704,863	32%	1,182,666	33%	252,601	19%	1,204,745	38%	449,285	14%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	386		387		388		389		390	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	3,174,534		2,488,877		2,869,034		4,781,413		2,528,738	
Payroll	1,121,249	35%	1,076,217	43%	1,283,859	45%	1,615,425	34%	999,256	40%
Occupancy	408,540	13%	587,684	24%	289,814	10%	807,518	17%	419,524	17%
Misc Items	744,080	23%	593,908	24%	775,487	27%	947,301	20%	671,479	27%
Total Expenses	2,273,869		2,257,809		2,349,160		3,370,244		2,090,259	
EBITDA	900,665	28%	231,068	9%	519,874	18%	1,411,169	30%	438,479	17%

	391		392		393		394		395	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,635,542		1,766,316		3,177,398		4,722,363		1,698,003	
Payroll	683,791	42%	741,439	42%	1,253,784	39%	1,689,393	36%	566,156	33%
Occupancy	213,960	13%	188,987	11%	292,005	9%	347,342	7%	208,152	12%
Misc Items	407,245	25%	440,863	25%	768,376	24%	1,275,833	27%	473,541	28%
Total Expenses	1,304,996		1,371,289		2,314,165		3,312,568		1,247,849	
EBITDA	330,546	20%	395,027	22%	863,233	27%	1,409,795	30%	450,154	27%

	396		397		398		399		400	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,907,736		2,707,946		1,826,199		1,382,857		3,048,100	
Payroll	937,205	49%	1,161,081	43%	764,355	42%	515,628	37%	1,241,145	41%
Occupancy	276,140	14%	268,867	10%	233,300	13%	253,913	18%	410,841	13%
Misc Items	546,666	29%	661,719	24%	416,819	23%	497,664	36%	787,073	26%
Total Expenses	1,760,011		2,091,667		1,414,474		1,267,205		2,439,059	
EBITDA	147,725	8%	616,279	23%	411,725	23%	115,652	8%	609,041	20%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	401		402		403		404		405	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	4,274,507		2,351,407		2,713,274		2,196,795		2,105,352	
Payroll	1,320,070	31%	602,140	26%	954,945	35%	768,688	35%	775,365	37%
Occupancy	417,756	10%	336,000	14%	390,000	14%	494,400	23%	338,681	16%
Misc Items	1,341,252	31%	493,786	21%	662,311	24%	596,839	27%	529,584	25%
Total Expenses	3,079,078		1,431,926		2,007,256		1,859,927		1,643,630	
EBITDA	1,195,429	28%	919,481	39%	706,018	26%	336,868	15%	461,722	22%

	406		407		408		409		410	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,797,729		2,585,595		3,339,664		2,233,570		2,379,936	
Payroll	692,252	39%	979,351	38%	1,105,328	33%	995,660	45%	703,258	30%
Occupancy	148,710	8%	561,002	22%	349,726	10%	220,402	10%	420,000	18%
Misc Items	454,269	25%	789,203	31%	645,490	19%	645,624	29%	471,145	20%
Total Expenses	1,295,231		2,329,556		2,100,544		1,861,686		1,594,403	
EBITDA	502,498	28%	256,039	10%	1,239,120	37%	371,884	17%	785,533	33%

	411		412		413		414		415	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,659,376		2,064,443		1,782,217		2,770,192		3,237,606	
Payroll	637,263	38%	831,588	40%	846,370	47%	1,124,699	41%	1,234,994	38%
Occupancy	207,000	12%	245,412	12%	210,036	12%	384,386	14%	188,400	6%
Misc Items	391,785	24%	526,309	25%	436,642	24%	774,621	28%	942,593	29%
Total Expenses	1,236,048		1,603,309		1,493,048		2,283,706		2,365,987	
EBITDA	423,328	26%	461,134	22%	289,169	16%	486,486	18%	871,619	27%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	416		417		418		419 (b)		420	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,568,050		1,870,686		1,693,994		1,594,246		1,401,080	
Payroll	586,495	37%	771,184	41%	735,743	43%	646,736	41%	465,848	33%
Occupancy	351,909	22%	225,228	12%	198,880	12%	116,264	7%	119,063	8%
Misc Items	473,918	30%	427,181	23%	462,296	27%	701,338	44%	486,793	35%
Total Expenses	1,412,322		1,423,593		1,396,919		1,464,338		1,071,704	
EBITDA	155,728	10%	447,093	24%	297,075	18%	129,908	8%	329,376	24%

	421		422		423		424		425	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,783,015		1,503,544		1,567,405		2,552,758		1,347,967	
Payroll	705,977	40%	760,313	51%	664,646	42%	913,093	36%	587,005	44%
Occupancy	273,472	15%	170,684	11%	201,702	13%	299,864	12%	176,511	13%
Misc Items	430,889	24%	474,290	32%	387,507	25%	726,784	28%	417,571	31%
Total Expenses	1,410,338		1,405,287		1,253,855		1,939,741		1,181,087	
EBITDA	372,677	21%	98,257	7%	313,550	20%	613,017	24%	166,880	12%

	426		427		428		429		430	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,770,489		2,580,367		2,582,908		3,778,796		2,153,614	
Payroll	869,680	49%	986,738	38%	940,208	36%	1,081,964	29%	721,184	33%
Occupancy	337,833	19%	331,020	13%	373,200	14%	399,000	11%	296,848	14%
Misc Items	476,152	27%	689,174	27%	676,814	26%	928,863	25%	604,697	28%
Total Expenses	1,683,665		2,006,932		1,990,222		2,409,827		1,622,729	
EBITDA	86,824	5%	573,435	22%	592,686	23%	1,368,969	36%	530,885	25%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	431		432		433		434		435	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,717,050		3,119,984		2,211,629		3,096,179		1,784,570	
Payroll	616,235	36%	1,147,525	37%	1,059,678	48%	1,246,756	40%	690,734	39%
Occupancy	286,654	17%	522,367	17%	291,388	13%	444,149	14%	409,592	23%
Misc Items	500,726	29%	1,058,509	34%	646,118	29%	981,052	32%	714,249	40%
Total Expenses	1,403,615		2,728,401		1,997,184		2,671,957		1,814,575	
EBITDA	313,435	18%	391,583	13%	214,445	10%	424,222	14%	(30,005)	-2%

	436		437		438		439		440	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,515,259		1,162,468		3,406,392		2,258,420		1,419,624	
Payroll	703,784	46%	406,084	35%	1,146,670	34%	915,816	41%	621,897	44%
Occupancy	152,016	10%	241,950	21%	416,960	12%	160,008	7%	170,342	12%
Misc Items	368,738	24%	241,704	21%	862,031	25%	580,751	26%	516,166	36%
Total Expenses	1,224,538		889,738		2,425,661		1,656,575		1,308,405	
EBITDA	290,721	19%	272,730	23%	980,731	29%	601,845	27%	111,219	8%

	441		442		443		444		445	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,986,138		1,538,379		2,416,649		1,950,124		1,944,427	
Payroll	858,477	43%	552,994	36%	962,638	40%	622,134	32%	786,460	40%
Occupancy	259,766	13%	227,386	15%	409,000	17%	366,728	19%	372,638	19%
Misc Items	585,457	29%	458,308	30%	649,131	27%	633,507	32%	509,966	26%
Total Expenses	1,703,700		1,238,688		2,020,769		1,622,369		1,669,064	
EBITDA	282,438	14%	299,691	19%	395,880	16%	327,755	17%	275,363	14%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	446		447		448		449		450	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,428,164		2,361,114		1,240,364		2,687,980		2,628,500	
Payroll	869,029	36%	1,068,740	45%	427,769	34%	1,302,573	48%	893,425	34%
Occupancy	342,400	14%	380,568	16%	183,516	15%	130,342	5%	271,563	10%
Misc Items	658,436	27%	672,143	28%	393,594	32%	727,723	27%	705,658	27%
Total Expenses	1,869,865		2,121,451		1,004,879		2,160,638		1,870,646	
EBITDA	558,299	23%	239,663	10%	235,485	19%	527,342	20%	757,854	29%

	451		452		453		454		455	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,543,351		1,884,055		1,741,422		1,540,991		1,868,636	
Payroll	621,402	40%	842,530	45%	683,163	39%	580,872	38%	696,986	37%
Occupancy	408,360	26%	175,921	9%	294,593	17%	197,833	13%	236,889	13%
Misc Items	362,640	23%	530,684	28%	536,526	31%	549,042	36%	672,360	36%
Total Expenses	1,392,402		1,549,135		1,514,282		1,327,747		1,606,235	
EBITDA	150,949	10%	334,920	18%	227,140	13%	213,244	14%	262,401	14%

	456		457		458		459		460	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	3,829,146		2,639,434		3,404,647		1,177,247		2,271,478	
Payroll	1,085,455	28%	802,332	30%	1,447,045	43%	454,346	39%	778,971	34%
Occupancy	438,045	11%	226,868	9%	360,122	11%	194,908	17%	344,150	15%
Misc Items	816,822	21%	600,781	23%	876,547	26%	343,650	29%	630,343	28%
Total Expenses	2,340,322		1,629,981		2,683,714		992,904		1,753,464	
EBITDA	1,488,824	39%	1,009,453	38%	720,933	21%	184,343	16%	518,014	23%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	461		462		463		464		465	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,145,290		1,972,305		1,868,222		1,410,716		2,901,955	
Payroll	903,829	42%	702,639	36%	903,013	48%	552,879	39%	1,279,333	44%
Occupancy	401,098	19%	241,630	12%	235,200	13%	297,512	21%	340,825	12%
Misc Items	457,652	21%	416,582	21%	590,824	32%	394,801	28%	926,721	32%
Total Expenses	1,762,579		1,360,851		1,729,037		1,245,192		2,546,879	
EBITDA	382,711	18%	611,454	31%	139,185	7%	165,524	12%	355,076	12%

	466		467	(b)	468		469		470	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,293,961		1,301,942		1,272,185		2,037,523		1,564,907	
Payroll	533,366	41%	633,958	49%	522,917	41%	682,696	34%	626,332	40%
Occupancy	489,596	38%	138,036	11%	363,664	29%	172,894	8%	299,915	19%
Misc Items	325,826	25%	374,671	29%	585,847	46%	486,617	24%	392,860	25%
Total Expenses	1,348,788		1,146,665		1,472,428		1,342,207		1,319,107	
EBITDA	(54,827)	-4%	155,277	12%	(200,243)	-16%	695,316	34%	245,800	16%

	471	(c)	472		473		474		475	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	395,053		5,369,591		1,726,244		2,765,769		1,021,447	
Payroll	160,260	41%	1,660,449	31%	837,779	49%	1,347,497	49%	408,073	40%
Occupancy	159,531	40%	422,412	8%	230,332	13%	332,770	12%	274,032	27%
Misc Items	172,618	44%	1,121,020	21%	479,890	28%	742,901	27%	326,775	32%
Total Expenses	492,409		3,203,881		1,548,001		2,423,168		1,008,880	
EBITDA	(97,356)	-25%	2,165,710	40%	178,243	10%	342,601	12%	12,567	1%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	476		477		478		479		480	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,249,692		1,415,277		2,319,638		1,830,792		2,341,660	
Payroll	748,654	33%	418,788	30%	992,996	43%	799,132	44%	1,070,310	46%
Occupancy	325,693	14%	227,100	16%	352,177	15%	262,073	14%	407,472	17%
Misc Items	766,726	34%	351,832	25%	765,116	33%	411,139	22%	552,193	24%
Total Expenses	1,841,073		997,720		2,110,289		1,472,344		2,029,975	
EBITDA	408,619	18%	417,557	30%	209,349	9%	358,448	20%	311,685	13%

	481		482		483		484		485	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,915,130		1,814,547		1,807,890		3,505,747		3,088,893	
Payroll	1,308,474	45%	605,878	33%	661,191	37%	1,156,585	33%	1,035,595	34%
Occupancy	314,933	11%	189,317	10%	213,941	12%	419,900	12%	376,500	12%
Misc Items	810,681	28%	438,426	24%	439,327	24%	895,673	26%	803,665	26%
Total Expenses	2,434,088		1,233,621		1,314,459		2,472,158		2,215,760	
EBITDA	481,042	17%	580,926	32%	493,431	27%	1,033,589	29%	873,133	28%

	486		487		488		489		490	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,421,825		2,012,581		2,076,660		2,340,432		1,926,264	
Payroll	537,495	38%	764,939	38%	768,958	37%	1,128,529	48%	729,620	38%
Occupancy	186,002	13%	199,878	10%	132,320	6%	326,128	14%	249,249	13%
Misc Items	447,185	31%	477,471	24%	563,871	27%	626,944	27%	500,564	26%
Total Expenses	1,170,682		1,442,288		1,465,149		2,081,601		1,479,433	
EBITDA	251,143	18%	570,293	28%	611,511	29%	258,831	11%	446,831	23%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	491		492		493		494		495	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,578,737		1,853,097		1,173,539		1,467,141		1,817,000	
Payroll	1,041,653	40%	973,114	53%	528,007	45%	625,541	43%	565,187	31%
Occupancy	466,683	18%	215,520	12%	199,958	17%	218,346	15%	230,238	13%
Misc Items	468,263	18%	479,042	26%	282,290	24%	413,114	28%	481,574	27%
Total Expenses	1,976,599		1,667,676		1,010,255		1,257,001		1,276,999	
EBITDA	602,138	23%	185,421	10%	163,284	14%	210,140	14%	540,001	30%

	496		497		498		499		500	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,873,459		2,233,764		3,221,010		2,073,937		4,436,568	
Payroll	881,750	31%	924,781	41%	1,205,039	37%	765,681	37%	1,826,569	41%
Occupancy	394,260	14%	324,624	15%	144,000	4%	190,225	9%	810,796	18%
Misc Items	591,304	21%	552,690	25%	631,969	20%	680,059	33%	1,022,161	23%
Total Expenses	1,867,314		1,802,095		1,981,008		1,635,965		3,659,526	
EBITDA	1,006,145	35%	431,669	19%	1,240,002	38%	437,972	21%	777,042	18%

	501		502		503		504		505	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,402,462		1,643,705		2,850,186		1,955,822		2,345,830	
Payroll	680,359	49%	748,550	46%	1,120,275	39%	804,128	41%	855,227	36%
Occupancy	160,825	11%	209,312	13%	362,712	13%	152,514	8%	323,208	14%
Misc Items	357,916	26%	413,566	25%	757,553	27%	656,164	34%	606,168	26%
Total Expenses	1,199,100		1,371,428		2,240,540		1,612,806		1,784,603	
EBITDA	203,362	15%	272,277	17%	609,646	21%	343,016	18%	561,227	24%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	506		507		508		509		510	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,365,943		3,068,095		3,224,924		3,724,017		1,783,244	
Payroll	774,589	33%	1,238,623	40%	1,266,460	39%	1,494,871	40%	826,608	46%
Occupancy	289,271	12%	305,906	10%	365,527	11%	713,763	19%	381,757	21%
Misc Items	522,165	22%	800,152	26%	694,135	22%	950,883	26%	504,461	28%
Total Expenses	1,586,025		2,344,681		2,326,122		3,159,517		1,712,826	
EBITDA	779,918	33%	723,414	24%	898,802	28%	564,500	15%	70,418	4%

	511		512		513		514		515	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	793,406		1,863,967		1,871,606		2,219,464		1,118,183	
Payroll	269,961	34%	816,800	44%	673,693	36%	1,120,085	50%	457,640	41%
Occupancy	213,200	27%	251,896	14%	177,264	9%	253,442	11%	162,000	14%
Misc Items	140,755	18%	550,495	30%	584,972	31%	680,192	31%	263,593	24%
Total Expenses	623,916		1,619,191		1,435,929		2,053,719		883,233	
EBITDA	169,490	21%	244,776	13%	435,677	23%	165,745	7%	234,950	21%

	516		517		518		519		520	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,371,298		2,436,617		2,503,243		3,288,717		2,716,153	
Payroll	768,572	32%	890,002	37%	933,379	37%	976,512	30%	863,407	32%
Occupancy	192,000	8%	421,471	17%	317,736	13%	281,460	9%	354,108	13%
Misc Items	567,780	24%	562,503	23%	818,316	33%	789,977	24%	525,109	19%
Total Expenses	1,528,352		1,873,976		2,069,431		2,047,949		1,742,624	
EBITDA	842,946	36%	562,641	23%	433,812	17%	1,240,768	38%	973,529	36%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	521		522		523		524		525	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,072,863		1,719,436		2,190,223		3,121,314		1,891,077	
Payroll	902,129	44%	777,357	45%	965,498	44%	1,154,323	37%	884,850	47%
Occupancy	113,235	5%	315,785	18%	401,189	18%	336,000	11%	235,041	12%
Misc Items	731,168	35%	617,115	36%	547,537	25%	784,353	25%	491,517	26%
Total Expenses	1,746,532		1,710,257		1,914,224		2,274,676		1,611,408	
EBITDA	326,331	16%	9,179	1%	275,999	13%	846,638	27%	279,669	15%

	526		527		528		529		530	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,361,344		3,817,340		1,607,705		2,673,200		1,068,076	
Payroll	750,951	55%	1,464,569	38%	599,968	37%	917,751	34%	525,114	49%
Occupancy	135,694	10%	154,983	4%	406,668	25%	436,000	16%	149,976	14%
Misc Items	471,819	35%	1,142,995	30%	571,701	36%	643,498	24%	262,594	25%
Total Expenses	1,358,464		2,762,547		1,578,337		1,997,249		937,684	
EBITDA	2,880	0%	1,054,793	28%	29,368	2%	675,951	25%	130,392	12%

	531		532		533		534		535	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	3,199,987		3,128,703		1,160,885		1,952,165		2,756,175	
Payroll	1,072,939	34%	1,281,965	41%	588,742	51%	658,926	34%	1,096,654	40%
Occupancy	442,440	14%	558,800	18%	333,788	29%	314,639	16%	224,048	8%
Misc Items	724,993	23%	637,427	20%	271,570	23%	476,137	24%	654,294	24%
Total Expenses	2,240,372		2,478,192		1,194,100		1,449,702		1,974,996	
EBITDA	959,615	30%	650,511	21%	(33,215)	-3%	502,463	26%	781,179	28%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	536		537		538		539		540	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,719,593		1,833,686		2,004,287		2,979,642		1,628,333	
Payroll	703,753	41%	951,851	52%	896,000	45%	795,948	27%	846,929	52%
Occupancy	207,460	12%	222,366	12%	315,442	16%	204,250	7%	301,192	18%
Misc Items	419,430	24%	636,603	35%	468,935	23%	673,377	23%	468,061	29%
Total Expenses	1,330,643		1,810,820		1,680,377		1,673,575		1,616,182	
EBITDA	388,950	23%	22,866	1%	323,910	16%	1,306,067	44%	12,151	1%

	541		542		543		544		545	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,252,319		2,809,897		1,719,855		2,022,385		1,972,381	
Payroll	807,178	36%	1,074,399	38%	672,011	39%	694,223	34%	553,461	28%
Occupancy	219,475	10%	305,866	11%	210,217	12%	216,552	11%	284,708	14%
Misc Items	896,939	40%	632,938	23%	553,281	32%	489,470	24%	492,008	25%
Total Expenses	1,923,592		2,013,203		1,435,509		1,400,245		1,330,177	
EBITDA	328,727	15%	796,694	28%	284,346	17%	622,140	31%	642,204	33%

	546		547		548		549		550	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,747,673		5,023,961		4,307,877		2,914,053		2,498,469	
Payroll	599,095	34%	1,552,746	31%	1,752,745	41%	1,003,904	34%	1,046,506	42%
Occupancy	240,000	14%	935,659	19%	480,420	11%	330,660	11%	316,478	13%
Misc Items	373,219	21%	1,057,854	21%	1,244,693	29%	700,234	24%	637,321	26%
Total Expenses	1,212,314		3,546,259		3,477,858		2,034,798		2,000,305	
EBITDA	535,359	31%	1,477,702	29%	830,019	19%	879,255	30%	498,164	20%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	551		552		553		554		555	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,817,412		1,606,307		2,408,313		1,991,333		2,474,118	
Payroll	889,046	32%	737,331	46%	766,790	32%	754,131	38%	1,130,996	46%
Occupancy	181,335	6%	229,504	14%	206,589	9%	206,290	10%	230,760	9%
Misc Items	600,912	21%	462,032	29%	504,843	21%	492,254	25%	585,846	24%
Total Expenses	1,671,293		1,428,867		1,478,222		1,452,675		1,947,602	
EBITDA	1,146,119	41%	177,440	11%	930,091	39%	538,658	27%	526,516	21%

	556		557		558		559		560	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,616,953		1,877,517		2,701,373		1,828,894		2,107,746	
Payroll	580,684	36%	773,375	41%	1,173,829	43%	712,623	39%	681,572	32%
Occupancy	356,038	22%	259,315	14%	606,648	22%	302,280	17%	264,000	13%
Misc Items	547,573	34%	527,171	28%	660,002	24%	375,650	21%	532,773	25%
Total Expenses	1,484,295		1,559,861		2,440,479		1,390,553		1,478,345	
EBITDA	132,658	8%	317,656	17%	260,894	10%	438,341	24%	629,401	30%

	561		562		563		564		565	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,163,338		2,975,785		631,990		3,101,300		2,804,948	
Payroll	943,300	44%	952,052	32%	345,676	55%	863,469	28%	1,015,021	36%
Occupancy	307,356	14%	399,064	13%	274,006	43%	256,896	8%	326,307	12%
Misc Items	645,581	30%	621,475	21%	236,985	37%	601,167	19%	861,035	31%
Total Expenses	1,896,237		1,972,591		856,667		1,721,532		2,202,363	
EBITDA	267,101	12%	1,003,194	34%	(224,677)	-36%	1,379,768	44%	602,585	21%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	566		567		568		569		570	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,326,314		2,998,865		2,480,321		2,132,211		2,534,318	
Payroll	967,923	42%	1,199,873	40%	855,461	34%	788,940	37%	919,968	36%
Occupancy	295,115	13%	625,509	21%	408,547	16%	254,448	12%	342,124	13%
Misc Items	579,993	25%	668,854	22%	649,668	26%	752,254	35%	557,494	22%
Total Expenses	1,843,031		2,494,236		1,913,676		1,795,642		1,819,586	
EBITDA	483,283	21%	504,629	17%	566,645	23%	336,569	16%	714,732	28%

	571		572		573		574		575	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,363,719		2,434,154		2,586,906		3,422,861		1,853,508	
Payroll	1,068,326	45%	785,327	32%	1,056,314	41%	1,137,847	33%	554,886	30%
Occupancy	360,000	15%	296,512	12%	479,854	19%	294,420	9%	433,831	23%
Misc Items	637,903	27%	515,793	21%	655,602	25%	858,252	25%	694,659	37%
Total Expenses	2,066,229		1,597,632		2,191,770		2,290,519		1,683,376	
EBITDA	297,490	13%	836,522	34%	395,136	15%	1,132,342	33%	170,132	9%

	576		577		578		579		580	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	5,173,739		2,350,417		2,348,686		1,906,917		1,906,918	
Payroll	1,675,384	32%	1,096,297	47%	724,603	31%	882,988	46%	933,394	49%
Occupancy	1,020,000	20%	50,347	2%	361,020	15%	326,583	17%	308,788	16%
Misc Items	873,684	17%	548,450	23%	473,444	20%	557,238	29%	614,141	32%
Total Expenses	3,569,068		1,695,094		1,559,067		1,766,809		1,856,323	
EBITDA	1,604,671	31%	655,323	28%	789,619	34%	140,108	7%	50,595	3%

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

	581		582		583		584		585	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	2,001,728		1,724,292		2,228,269		2,730,816		3,791,483	
Payroll	932,791	47%	897,000	52%	795,762	36%	862,850	32%	1,315,102	35%
Occupancy	378,000	19%	319,117	19%	396,000	18%	221,667	8%	577,500	15%
Misc Items	597,059	30%	456,806	26%	457,255	21%	567,079	21%	864,530	23%
Total Expenses	1,907,850		1,672,923		1,649,017		1,651,596		2,757,132	
EBITDA	93,878	5%	51,369	3%	579,252	26%	1,079,220	40%	1,034,351	27%

	586		587		588		589	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,839,916		1,737,923		1,061,805		1,696,222	
Payroll	724,307	39%	728,819	42%	609,906	57%	862,727	51%
Occupancy	309,633	17%	313,200	18%	276,500	26%	257,796	15%
Misc Items	521,814	28%	506,980	29%	353,974	33%	383,042	23%
Total Expenses	1,555,754		1,548,999		1,240,380		1,503,565	
EBITDA	284,162	15%	188,924	11%	(178,575)	-17%	192,657	11%

Explanatory Notes:

(a) Reported 11 months out of 12

(b) Reported 8 months out of 12

(c) Reported 5 months out of 12

(d) Not operational for the entirety of 2023

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

2023 AVERAGE/MEDIAN - 589 Schools Open Over 18 Months					# and % Meeting or Exceeding the Avg	
	Avg Dollars	*Avg % of Rev*	Median Dollars	Median % of Rev	Dollars	% of Rev
Gross Revenue	*2,282,039*		2,131,739		244 of 589/ 41.5%	
Payroll	*887,051*	*38.9%*	824,144	38.7%	245 of 589/ 41.7%	283 of 589/ 48.1%
Occupancy	*298,423*	*13.1%*	273,181	12.8%	247 of 589/ 42.0%	240 of 589/ 40.8%
Misc Items	*598,550*	*26.2%*	566,320	26.6%	257 of 589/ 43.7%	263 of 589/ 44.7%
Total Expenses	*1,784,024*	*78.2%*	1,672,923	78.5%	238 of 589/ 40.5%	274 of 589/ 46.6%
EBITDA	*498,015*	*21.8%*	435,699	20.4%	252 of 589/ 42.9%	315 of 589/ 53.6%
EBITDAR	*796,438*	*34.9%*	711,584	33.4%	242 of 589/ 41.2%	298 of 589/ 50.7%
2023 Highest/Lowest Gross Revenue	*$6,408,844/$369,395*					

2022 AVERAGE/MEDIAN - 563 Schools Open Over 18 Months					# and % Meeting or Exceeding the Avg	
	Avg Dollars	*Avg % of Rev*	Median Dollars	Median % of Rev	Dollars	% of Rev
Gross Revenue	*2,095,670*		1,955,971		235 of 563/ 41.7%	
Payroll	*791,608*	*37.8%*	741,475	37.9%	239 of 563/ 42.5%	307 of 563/ 54.5%
Occupancy	*284,025*	*13.6%*	265,219	13.6%	244 of 563/ 43.3%	264 of 563/ 46.9%
Misc Items	*554,982*	*26.5%*	522,989	26.7%	224 of 563/ 39.8%	284 of 563/ 50.4%
Total Expenses	*1,630,615*	*77.8%*	1,527,332	78.1%	235 of 563/ 41.7%	310 of 563/ 55.1%
EBITDA	*465,055*	*22.2%*	401,075	20.5%	236 of 563/ 41.9%	252 of 563/ 44.8%
EBITDAR	*749,081*	*35.7%*	663,263	33.9%	229 of 563/ 40.7%	250 of 563/ 44.4%
2022 Highest/Lowest Gross Revenue	*$6,440,975/$452,285*					

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

2021 AVERAGE/MEDIAN - 532 Schools Open Over 18 Months					# and % Meeting or Exceeding the Avg	
	Avg Dollars	*Avg % of Rev*	Median Dollars	Median % of Rev	Dollars	% of Rev
Gross Revenue	*1,798,771*		1,669,054		229 of 532/ 43.0%	
Payroll	*680,493*	*37.8%*	631,246	37.8%	220 of 532/ 41.4%	286 of 532/ 53.7%
Occupancy	*267,854*	*14.9%*	248,282	14.9%	213 of 532/ 40.0%	256 of 532/ 48.1%
Misc Items	*476,582*	*26.5%*	450,001	27.0%	223 of 532/ 41.9%	279 of 532/ 52.4%
Total Expenses	*1,424,929*	*79.2%*	1,323,983	79.3%	211 of 532/ 39.7%	303 of 532/ 56.9%
EBITDA	*373,842*	*20.8%*	321,938	19.3%	228 of 532/ 42.9%	229 of 532/ 43.0%
EBITDAR	*641,696*	*35.7%*	574,500	34.4%	225 of 532/ 42.3%	241 of 532/ 45.3%
2021 Highest/Lowest Gross Revenue	*$6,257,269/$213,171*					

2020 AVERAGE/MEDIAN - 504 Schools Open Over 18 Months					# and % Meeting or Exceeding the Avg	
	Avg Dollars	*Avg % of Rev*	Median Dollars	Median % of Rev	Dollars	% of Rev
Gross Revenue	*1,336,520*		1,291,314		232 of 504/ 46.0%	
Payroll	*579,551*	*43.4%*	540,474	41.9%	212 of 504/ 42.1%	264 of 504/ 52.4%
Occupancy	*236,803*	*17.7%*	220,190	17.1%	213 of 504/ 42.3%	266 of 504/ 52.8%
Misc Items	*389,825*	*29.2%*	370,903	28.7%	225 of 504/ 44.6%	259 of 504/ 51.4%
Total Expenses	*1,206,179*	*90.2%*	1,133,651	87.8%	207 of 504/ 41.1%	274 of 504/ 54.4%
EBITDA	*130,341*	*9.8%*	97,736	7.6%	229 of 504/ 45.4%	230 of 504/ 45.6%
EBITDAR	*367,144*	*27.5%*	331,669	25.7%	257 of 504/ 51.0%	228 of 504/ 45.2%
2020 Highest/Lowest Gross Revenue	*$5,052,878/$207,178*					

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

Mature Franchise Schools (open over 18 months)

2019 AVERAGE/MEDIAN - 478 Schools Open Over 18 Months					# and % Meeting or Exceeding the Avg	
	Avg Dollars	*Avg % of Rev*	Median Dollars	Median % of Rev	Dollars	% of Rev
Gross Revenue	*1,812,739*		1,700,221		200 of 478/ 41.8%	
Payroll	*671,104*	*37.0%*	627,031	36.9%	194 of 478/ 40.6%	269 of 478/ 56.3%
Occupancy	*255,686*	*14.1%*	238,082	14.0%	200 of 478/ 41.8%	231 of 478/ 48.3%
Misc Items	*472,324*	*26.1%*	445,678	26.2%	200 of 478/ 41.8%	279 of 478/ 58.4%
Total Expenses	*1,399,114*	*77.2%*	1,321,234	77.7%	192 of 478/ 40.2%	200 of 478/ 41.8%
EBITDA	*413,625*	*22.8%*	356,538	21.0%	212 of 478/ 44.4%	199 of 478/ 41.6%
EBITDAR	*669,311*	*36.9%*	603,396	35.5%	208 of 478/ 43.5%	197 of 478/ 41.2%
2019 Highest/Lowest Gross Revenue	*$6,028,893/$226,260*					

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

New Franchise Schools (open 18 months or less)

	1		2		3		4		5		6	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	3,035,893		2,734,315		2,747,832		1,277,023		1,008,267		2,123,258	
Payroll	1,116,577	37%	1,168,616	43%	1,289,010	47%	512,399	40%	554,241	55%	689,116	32%
Occupancy	678	0%	329,187	12%	395,523	14%	167,500	13%	47,170	5%	265,951	13%
Misc Items	836,425	28%	760,958	28%	456,893	17%	296,668	23%	234,978	23%	343,298	16%
Total Expenses	1,953,680		2,258,761		2,141,426		976,567		836,389		1,298,365	
EBITDA	1,082,213	36%	475,554	17%	606,406	22%	300,456	24%	171,878	17%	824,893	39%
QTR Open	3rd Qtr 22		3rd Qtr 22		1st Qtr 23		2nd Qtr 23		2nd Qtr 23		1st Qtr 23	

	7		8		9		10		11		12	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,480,505		2,476,687		128,777		1,760,898		3,343,447		257,895	
Payroll	534,630	36%	828,870	33%	138,996	108%	674,052	38%	1,034,592	31%	143,000	55%
Occupancy	150,419	10%	409,663	17%	-	0%	301,448	17%	418,690	13%	86,000	33%
Misc Items	200,025	14%	579,484	23%	51,271	40%	462,755	26%	790,925	24%	61,217	24%
Total Expenses	885,074		1,818,017		190,267		1,438,255		2,244,207		290,217	
EBITDA	595,431	40%	658,670	27%	(61,490)	-48%	322,643	18%	1,099,240	33%	(32,322)	-13%
QTR Open	2nd Qtr 23		3rd Qtr 22		3rd Qtr 23		3rd Qtr 22		3rd Qtr 22		4th Qtr 23	

	13		14		15		16		17		18	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,788,936		2,202,232		499,205		546,944		1,718,763		2,272,164	
Payroll	736,024	41%	726,151	33%	196,000	39%	221,983	41%	848,107	49%	807,198	36%
Occupancy	177,312	10%	298,785	14%	16,400	3%	31,866	6%	327,660	19%	239,836	11%
Misc Items	541,744	30%	478,116	22%	70,536	14%	147,772	27%	581,610	34%	526,536	23%
Total Expenses	1,455,080		1,503,052		282,936		401,621		1,757,377		1,573,570	
EBITDA	333,856	19%	699,180	32%	216,269	43%	145,323	27%	(38,614)	-2%	698,594	31%
QTR Open	1st Qtr 23		3rd Qtr 22		4th Qtr 23		3rd Qtr 23		4th Qtr 22		4th Qtr 22	

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

New Franchise Schools (open 18 months or less)

	19		20		21		22		23		24	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	1,748,492		233,585		2,496,020		670,004		853,465		1,047,382	
Payroll	911,952	52%	138,258	59%	1,290,939	52%	389,499	58%	315,307	37%	443,220	42%
Occupancy	178,689	10%	100,000	43%	370,763	15%	137,997	21%	99,897	12%	200,806	19%
Misc Items	486,830	28%	169,417	73%	721,025	29%	325,581	49%	323,244	38%	310,216	30%
Total Expenses	1,577,471		407,675		2,382,727		853,077		738,448		954,242	
EBITDA	171,021	10%	(174,090)	-75%	113,293	5%	(183,073)	-27%	115,017	13%	93,140	9%
QTR Open	2nd Qtr 23		4th Qtr 23		3rd Qtr 22		2nd Qtr 23		2nd Qtr 23		2nd Qtr 23	

	25		26		27		28		29		30	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	694,840		178,272		513,245		71,685		82,945		556,970	
Payroll	413,611	60%	79,503	45%	342,458	67%	55,147	77%	62,184	75%	240,669	43%
Occupancy	330,500	48%	-	0%	269,000	52%	46,200	64%	57,000	69%	28,530	5%
Misc Items	236,995	34%	95,209	53%	313,231	61%	26,361	37%	26,296	32%	230,750	41%
Total Expenses	981,106		174,712		924,689		127,708		145,480		499,949	
EBITDA	(286,266)	-41%	3,560	2%	(411,444)	-80%	(56,023)	-78%	(62,535)	-75%	57,021	10%
QTR Open	1st Qtr 23		4th Qtr 23		1st Qtr 23		4th Qtr 23		4th Qtr 23		2nd Qtr 23	

	31		32		33		34		35		36	
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%
Gross Revenue	190,604		116,937		181,589		100,718		55,657		22,720	
Payroll	121,738	64%	84,600	72%	152,833	84%	98,690	98%	74,974	135%	25,278	111%
Occupancy	96,800	51%	171,203	146%	136,799	75%	108,030	107%	87,153	157%	21,671	95%
Misc Items	72,063	38%	58,200	50%	98,552	54%	50,315	50%	45,805	82%	18,713	82%
Total Expenses	290,601		314,003		388,184		257,035		207,932		65,662	
EBITDA	(99,997)	-52%	(197,066)	-169%	(206,595)	-114%	(156,317)	-155%	(152,275)	-274%	(42,942)	-189%
QTR Open	3rd Qtr 23		4th Qtr 23		3rd Qtr 23		3rd Qtr 23		4th Qtr 23		4th Qtr 23	

FINANCIAL PERFORMANCE REPRESENTATION WORKSHEET - 2023 (unaudited)

New Franchise Schools (open 18 months or less)

	37							
	Dollars	%						
Gross Revenue	44,136							
Payroll	20,428	46%						
Occupancy	113,861	258%						
Misc Items	27,692	63%						
Total Expenses	161,981							
EBITDA	(117,845)	-267%						
QTR Open	4th Qtr 23							

STATEMENT OF AVERAGE GROSS REVENUE AND EBITDA FOR MATURE SCHOOLS BY OCCUPANCY GROUP FOR CALENDAR YEAR 2023

(unaudited)

The following is a report identifying the actual average gross revenue, payroll, occupancy (representing rent plus property tax expense) and specific miscellaneous operating expenses prepared on a cash basis for all Mature Schools operating as of December 31, 2023, by occupancy group. The items included in the expense category identified as miscellaneous items include bank charges, office supplies, utilities, telephone, transportation, payroll taxes, employee costs, marketing, royalties, repairs and maintenance, school supplies, snacks, technology, marketing and professional fees. "Gross Revenue" is determined on an accrual basis and represents the amount billed by a School for all services or products of any nature rendered or sold at or from or as a result of the School, and without deduction of any kind. (School services are not currently subject to sales taxes or similar taxes). This report breaks down the average results of the Mature Schools into five segments based on the occupancy group of the Mature Schools. We determine the averages by adding the information received from the Mature Schools in each category and dividing it by the number of Mature Schools in that category. By "Occupancy," we mean the ratio of the number of full time equivalents at the School compared to the maximum number of full time equivalents of students the School is designed to hold. The report has not been audited.

As of December 31, 2023, there were 627 Schools in operation, all of which 627 Schools were owned by franchisees. Of these 627 Schools, 589 Schools are Mature Schools. One Mature School closed during 2023. As a result, information regarding this Mature School is not included in the report.

The figures in the report have been compiled from operating results supplied by franchisees. All of the Schools report financial information to us based upon a uniform reporting system. We have not audited these figures.

We offered substantially the same services to all of the Schools described in the report. The Schools offer substantially the same services to the public.

Goddard Systems, Inc.
Average Gross Revenue and EBITDA by Occupancy Group
for the year ended December 31, 2023

589 Mature Schools
(unaudited)

	Occupancy Rate Less than 70% 94 (16.0%) of 589 Schools		Occupancy Rate 70% - 80% 74 (12.6%) of 589 Schools		Occupancy Rate 80% - 90% 143 (24.3%) 589 Schools		Occupancy Rate 90% - 100% 200 (34.0%) 589 Schools		Occupancy Rate Greater than 100% 78 (13.2%) 589 Schools		ALL MATURE SCHOOLS 589 Schools	
Avg. Occupancy	**58.7%**		**75.7%**		**85.3%**		**95.1%**		**105.2%**		**85.8%**	
No. and % Meeting or Exceeding Avg.	57 of 94 60.6%		42 of 74 56.8%		75 of 143 52.4%		101 of 200 50.5%		32 of 78 41.0%		344 of 589 58.4%	
Median Occupancy	**61.4%**		**76.1%**		**85.4%**		**95.2%**		**103.2%**		**88.9%**	
Avg. Gross Revenue	**1,567,642**		**1,904,231**		**2,273,235**		**2,534,319**		**2,870,683**		**2,282,039**	
No. and % Meeting or Exceeding Avg.	39 of 94 41.5%		27 of 74 36.5%		55 of 143 38.5%		78 of 200 39.0%		34 of 78 43.6%		244 of 589 41.4%	
Median Gross Revenue	**1,444,736**		**1,778,568**		**2,109,067**		**2,344,641**		**2,685,286**		**2,131,739**	
		% of Rev		% of Rev		% of Rev		% of Rev		% of Rev		% of Rev
Avg. Payroll	**664,215**	**42.4%**	**775,928**	**40.7%**	**897,802**	**39.5%**	**966,057**	**38.1%**	**1,038,729**	**36.2%**	**887,051**	**38.9%**
No. and % Meeting or Exceeding Avg.	39 of 94 41.5%	45 of 94 47.9%	33 of 74 44.6%	36 of 74 48.6%	63 of 143 44.1%	78 of 143 54.5%	75 of 200 37.5%	101 of 200 50.5%	33 of 78 42.3%	43 of 78 55.1%	245 of 589 41.6%	315 of 589 53.5%
Median Payroll	**621,430**	**43.0%**	**748,260**	**42.1%**	**846,370**	**40.1%**	**897,423**	**38.3%**	**964,105**	**35.9%**	**824,144**	**38.7%**
Avg. Occupancy Costs	**310,843**	**19.8%**	**302,928**	**15.9%**	**305,388**	**13.4%**	**286,388**	**11.3%**	**297,270**	**10.4%**	**298,423**	**13.1%**
No. and % Meeting or Exceeding Avg.	38 of 94 40.4%	41 of 94 43.6%	33 of 74 44.6%	32 of 74 43.2%	58 of 143 40.6%	67 of 143 46.9%	86 of 200 43.0%	99 of 200 49.5%	28 of 78 35.9%	43 of 78 55.1%	247 of 589 41.9%	283 of 589 48.0%
Median Occupancy Costs	**280,856**	**19.4%**	**290,262**	**16.3%**	**267,805**	**12.7%**	**262,253**	**11.2%**	**281,228**	**10.5%**	**273,181**	**12.8%**
Avg. Misc. Items	**448,402**	**28.6%**	**523,664**	**27.5%**	**606,480**	**26.7%**	**649,625**	**25.6%**	**705,045**	**24.6%**	**598,550**	**26.2%**
No. and % Meeting or Exceeding Avg.	46 of 94 48.9%	45 of 94 47.9%	33 of 74 44.6%	37 of 74 50.0%	66 of 143 46.2%	69 of 143 48.3%	79 of 200 39.5%	102 of 200 51.0%	31 of 78 39.7%	36 of 78 46.2%	257 of 589 43.6%	292 of 589 49.6%
Median Misc. Items	**442,139**	**30.6%**	**502,594**	**28.3%**	**585,846**	**27.8%**	**621,338**	**26.5%**	**649,708**	**24.2%**	**566,320**	**26.6%**
Avg. EBITDA	**144,182**	**9.2%**	**301,710**	**15.8%**	**463,566**	**20.4%**	**632,249**	**24.9%**	**829,639**	**28.9%**	**498,016**	**21.8%**
No. and % Meeting or Exceeding Avg.	48 of 94 51.1%	48 of 94 51.1%	33 of 74 44.6%	34 of 74 45.9%	55 of 143 38.5%	60 of 143 42.0%	77 of 200 38.5%	88 of 200 44.0%	35 of 78 44.9%	38 of 78 48.7%	252 of 589 42.8%	273 of 589 46.3%
Median EBITDA	**150,019**	**10.4%**	**257,251**	**14.5%**	**405,614**	**19.2%**	**549,992**	**23.5%**	**751,365**	**28.0%**	**435,699**	**20.4%**

2023 Highest / Lowest Gross Revenue for All Mature Schools - $6,408,844 / $369,395

	High Gross Revenue	Low Gross Revenue
less than 70%	$5,198,336	$369,395
70 - 80%	$3,724,017	$1,125,166
80 - 90%	$6,408,844	$1,239,738
90 - 100%	$6,305,244	$1,282,598
Greater than 100%	$5,759,810	$1,594,246

A School is considered to have met or exceeded the average with respect to Gross Revenue items and EBITDA if the School's Gross Revenue or EBITDA was equal to or greater than the average. A School is considered to have met or exceeded the average with respect to cost and expense items if the School performed better than the average, meaning it had a *lower cost or expense* for that item.

Some Schools have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Written substantiation of the data used in preparing each Statement will be made available to you upon reasonable request.

* * * * * * *

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Dennis R. Maple, President and CEO, Goddard Franchisor LLC, 1016 West Ninth Avenue, King of Prussia, PA 19406-3107, telephone number (610) 265-8510, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

As noted in Item 1, Goddard Manager was the franchisor of the Goddard franchise system prior to the closing of the Securitization Transaction in August 2022.

TABLE NO. 1

Systemwide Outlet Summary
For years 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	553	575	+22
	2022	575	598	+23
	2023	598	627	+29
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	**2021**	**553**	**575**	**+22**
	2022	**575**	**598**	**+23**
	2023	**598**	**627**	**+29**

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
Colorado	2021	0
	2022	0
	2023	0
Florida	2021	1
	2022	0
	2023	0
Georgia	2021	0
	2022	3
	2023	2
Illinois	2021	0
	2022	2
	2023	2
Indiana	2021	0
	2022	2
	2023	0
Kansas	2021	0
	2022	0
	2023	1
Maryland	2021	0
	2022	1
	2023	0
Massachusetts	2021	1
	2022	0
	2023	1
Michigan	2021	0
	2022	0
	2023	1
Missouri	2021	0
	2022	0
	2023	1
New Jersey	2021	1
	2022	5
	2023	4
New York	2021	0
	2022	0
	2023	1
North Carolina	2021	2
	2022	0
	2023	1

State	Year	Number of Transfers
Ohio	2021	2
	2022	0
	2023	2
Pennsylvania	2021	0
	2022	1
	2023	1
Tennessee	2021	1
	2022	1
	2023	0
Texas	2021	1
	2022	0
	2023	1
Virginia	2021	0
	2022	3
	2023	0
Washington	2021	1
	2022	0
	2023	2
Totals	**2021**	**10**
	2022	**18**
	2023	**20**

TABLE NO. 3

Status of Franchised Outlets
For years 2021 to 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	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Arkansas	2021	2	3	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	3	0	0	0	0	8
California	2021	8	2	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	2	0	0	0	0	12
Colorado	2021	24	1	0	0	0	1	24
	2022	24	1	0	0	0	0	25
	2023	25	1	0	0	0	0	26
Connecticut	2021	11	0	0	0	0	0	11
	2022	11	0	0	0	0	0	11
	2023	11	2	0	0	0	0	13

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
Delaware	2021	4	0	0	1	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Florida	2021	18	1	0	0	0	0	19
	2022	19	3	0	0	0	0	22
	2023	22	0	0	0	0	0	22
Georgia	2021	33	0	0	0	0	0	33
	2022	33	0	0	0	0	0	33
	2023	33	0	0	0	0	0	33
Idaho	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Illinois	2021	29	1	0	0	0	0	30
	2022	30	1	0	0	0	0	31
	2023	31	0	0	0	0	0	31
Indiana	2021	16	0	0	0	0	0	16
	2022	16	0	0	0	0	0	16
	2023	16	0	0	0	0	0	16
Iowa	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kansas	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Kentucky	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Maryland	2021	31	0	0	0	0	0	31
	2022	31	3	0	0	0	0	34
	2023	34	1	0	0	0	0	35
Massachusetts	2021	16	0	0	0	0	0	16
	2022	16	1	0	0	0	0	17
	2023	17	3	0	0	0	0	20
Michigan	2021	9	0	0	0	0	0	9
	2022	9	1	0	0	0	0	10
	2023	10	2	0	0	0	0	12
Minnesota	2021	8	1	0	0	0	0	9
	2022	9	1	0	0	0	0	10
	2023	10	1	0	0	0	0	11
Missouri	2021	13	0	0	0	0	0	13
	2022	13	1	0	0	0	0	14
	2023	14	0	0	0	0	0	14
Nebraska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nevada	2021	4	2	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6

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
New Hampshire	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New Jersey	2021	65	1	0	0	0	1	65
	2022	65	2	0	1	0	1	65
	2023	65	2	0	0	0	0	67
New York	2021	7	1	0	0	0	0	8
	2022	8	1	0	0	0	0	9
	2023	9	1	0	0	0	0	10
North Carolina	2021	23	1	0	0	0	0	24
	2022	24	1	0	0	0	0	25
	2023	25	0	0	0	0	0	25
North Dakota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Ohio	2021	45	2	0	0	0	0	47
	2022	47	0	0	0	0	0	47
	2023	47	1	0	0	0	0	48
Oklahoma	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
Oregon	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Pennsylvania	2021	49	2	0	0	0	0	51
	2022	51	1	0	0	0	0	52
	2023	52	2	0	0	0	0	54
Rhode Island	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
South Carolina	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	1	0	0	0	0	8
Tennessee	2021	10	0	0	0	0	0	10
	2022	10	1	0	0	0	0	11
	2023	11	0	0	0	0	0	11
Texas	2021	51	3	0	0	0	0	54
	2022	54	4	0	0	0	0	58
	2023	58	4	0	0	0	0	62
Virginia	2021	27	1	0	0	0	0	28
	2022	28	1	0	0	0	0	29
	2023	29	2	0	1	0	0	30
Washington	2021	10	2	0	0	0	0	12
	2022	12	1	0	0	0	0	13
	2023	13	1	0	0	0	0	14
Washington DC	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

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
Wisconsin	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Totals	2021	553	25	0	1	0	2	575
	2022	575	25	0	1	0	1	598
	2023	598	30	0	1	0	0	627

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

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Non-Renewals	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
All States	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Totals	**2021**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
Arkansas	1	1	0
Arizona	0	0	0
California	1	1	0
Connecticut	1	1	0
Florida	3	3	0
Maryland	2	0	0
Massachusetts	0	2	0
Michigan	1	1	0
Minnesota	1	0	0
Missouri	0	0	0
Nevada	1	1	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
New Jersey	1	2	0
New York	0	1	0
Ohio	0	1	0
Oregon	0	0	0
Pennsylvania	0	2	0
South Carolina	1	1	0
Tennessee	2	0	0
Texas	3	3	0
Virginia	2	1	0
Washington	2	1	0
Wisconsin	1	1	0
Totals	23	23	0

* This listing does not include applicants who have only signed a Preliminary Agreement and who are not franchisees. As of December 31, 2023, applicants had signed Preliminary Agreements to develop 254 Schools in the following states: Alabama – 1; Arkansas – 2; Arizona – 1; California – 16; Colorado – 2; Connecticut –5; Delaware – 1; District of Columbia – 6; Florida – 26; Georgia 7; Iowa – 1; Idaho – 1; Illinois - 13; Indiana – 5; Kansas – 3; Kentucky –1; Maryland – 7; Massachusetts – 12; Minnesota – 3; Missouri – 1; Nevada – 4; New Jersey – 13; New York – 8; North Carolina – 16; Ohio – 12; Oklahoma – 2; Oregon – 3; Pennsylvania – 19; South Carolina – 4; Tennessee – 3; Texas – 26; Utah – 3: Virginia – 7; Washington – 19; Wisconsin – 1.

** Projected new franchised outlets in the next fiscal year refers to the estimated number of new outlets applicants or franchisees will develop under either Preliminary Agreements or Franchise Agreements (if a Preliminary Agreement had not already been signed regarding the outlet) entered into during the fiscal year.

Attached as **Exhibit B-1** is a list of all operational franchisees as of December 31, 2023, including the addresses and telephone numbers of their Schools. Also included in **Exhibit B-1** is a listing of franchisees who have signed a Franchise Agreement but are not yet operational. This listing of franchisees who are not yet operational does not include applicants who have only signed a Preliminary Agreement.

A list containing the name, city and state, and business telephone number (or if unknown, the last known telephone number) of former franchisees, representing every franchisee who has had a franchise terminated, canceled, not renewed or who has transferred a franchise or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during 2023 or who has not communicated with us or Goddard Manager within 10 weeks of the date of this disclosure document is attached as **Exhibit B-2**. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. This listing of former franchisees does not include any applicants who had only signed a Preliminary Agreement and who were not franchisees, who terminated or canceled a Preliminary Agreement or who have not communicated with us or Goddard Manager within 10 weeks of the date of this disclosure document. During our most recently completed fiscal year, 14 applicants who had only signed a Preliminary Agreement, and who were not franchisees, terminated their Preliminary Agreements to develop Schools in the following states: Arkansas (1), Florida (1), Illinois (1), Massachusetts (1), Michigan (1), North Carolina (1), Pennsylvania (2), Texas (3), Virginia (1), Washington (2).

If the franchise offered by this disclosure document was previously owned by a franchisee but is now under our control, we will disclose the following additional information for the franchise for the last 5 fiscal years in a supplement to this disclosure document: (i) The name, city and state, current business telephone number, or if unknown, last known home telephone number of each previous franchisee; (ii) The time period when each previous franchisee controlled the franchise; (iii) The reason for each previous change of ownership; and (iv) The time period(s) when we retained control of the franchise.

Current and former franchisees have signed confidentiality clauses during the last 3 fiscal years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with The Goddard School System. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

The following independent franchisee organization has asked to be included in this disclosure document: The Independent Association of The Goddard Schools Franchisees (IAGSF), A Chapter of the American Association of Franchisees & Dealers, PO Box 10158, Palm Desert, CA 92255-1058, telephone 619-209-3775, email iagsf@aafdchapters.org.

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FINANCIAL STATEMENTS

Attached in **Exhibit A** is (i) our audited balance sheet as of December 31, 2023 and December 31, 2022; (ii) our audited statement of income, members' equity and cash flow for the year ending December 31, 2023 and December 31, 2022; and (iii) our unaudited balance sheet and statement of operations as of and for the period ending January 31, 2024. We were formed on July 7, 2022. We had no significant operations prior to that date. Because we were formed on July 7, 2022, we do not have available, and we cannot yet include, 3 years of audited financial statements.

As noted in Item 1, at the closing of the Securitization Transaction, Goddard Manager, the former franchisor of the Goddard School system and our predecessor (and our indirect parent company), entered into a management agreement with us under which Goddard Manager has agreed to provide support and services to applicants and franchisees. We have attached to this disclosure document in **Exhibit A** Goddard Manager's audited balance sheets as of December 31, 2023 and 2022 and its audited statements of income, shareholders equity and cash flows for the fiscal years ending December 31, 2023, 2022 and 2021. In addition, we have attached Goddard Manager's unaudited balance sheet and statement of operations as of and for the period ending January 31, 2024. These financial statements are provided for information purposes only. Goddard Manager has not guaranteed our obligations under Preliminary Agreements, Franchise Agreements or other ancillary agreements, nor is it a party to any of these agreements.

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CONTRACTS

The following agreements are attached as exhibits to this disclosure document:

Exhibit C-1	Preliminary Agreement
Exhibit C-2	Franchise Agreement, including (a) Draft Authorization
Exhibit C-3	Development Agreement
Exhibit C-5	Amendment to Franchise Agreement (Modified Fee)
Exhibit C-6	Amendment to Franchise Agreement (Transfer)
Exhibit C-7	Amendment to Franchise Agreement (Annex)
Exhibit C-8	Amendment to Franchise Agreement (Satellite Location)
Exhibit C-9	Amendment to Franchise Agreement (Designated On-Site Operator)
Exhibit C-10	Franchise Agreement (Renewal)
Exhibit C-11	Collateral Assignment of Lease and Consent and Agreement of Lessor
Exhibit C-12	Option to Lease Agreement and Right of First Refusal
Exhibit C-13	Assignment and Assumption Agreement
Exhibit C-14	Disclosure Acknowledgement Statement
Exhibit C-15.1	Confidentiality Agreement (persons associated with franchisee)
Exhibit C.15.2	Confidentiality Agreement (possible purchaser – before training)
Exhibit C.15.3	Confidentiality Agreement (possible add-on franchisee)
Exhibit C-16	Confidentiality and Noncompetition Agreement
Exhibit D-1	Termination of Preliminary Agreement and Mutual Release
Exhibit D-2	Termination of Franchise Agreement and Mutual Release
Exhibit G	Receipt of Franchise-Related Documents
Exhibit H	State Specific Addenda and Riders

Item 23

RECEIPTS

A detachable receipt in duplicate appears at the very end of this disclosure document. Please acknowledge receipt of this disclosure document by filling in the bottom portion of both copies of the Receipt where indicated with the appropriate information and forwarding one copy to us.

EXHIBIT A

FINANCIAL STATEMENTS

GODDARD FRANCHISOR LLC

AUDITED FINANCIAL STATEMENTS

For the Fiscal Year Ended December 31, 2023 and 2022

and

GODDARD SYSTEMS, LLC

AUDITED FINANCIAL STATEMENTS

For the Fiscal Years Ended December 31, 2023, 2022 and 2021

Goddard Franchisor LLC

Financial Report
December 31, 2023

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RSM US LLP

Independent Auditor's Report

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Goddard Franchisor LLC

Opinion
We have audited the financial statements of Goddard Franchisor LLC (the Company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in member's equity and cash flows for the year ended December 31, 2023 and for the period from August 19, 2022 through December 31, 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the year ended December 31, 2023 and for the period from August 19, 2022 through December 31, 2022 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

RSM US LLP

Blue Bell, Pennsylvania
April 26, 2024

Goddard Franchisor LLC
Balance Sheets
December 31, 2023 and 2022

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash	$ 500,000	$ 500,000
Accounts receivable, net	8,261,387	7,336,246
Total current assets	8,761,387	7,836,246
Other assets:		
Intangible assets, net	639,549,989	675,850,000
Goodwill, net	353,014,075	394,695,524
Total other assets	992,564,064	1,070,545,524
Total assets	$ 1,001,325,451	$ 1,078,381,770
Liabilities and Members' Equity		
Current liabilities:		
Accrued expense	$ 87,384	$ -
Deposits on franchise contracts	840,000	463,000
Deferred revenue	2,205,388	2,368,193
Other current liabilities	940	-
Total current liabilities	3,133,712	2,831,193
Long-term liabilities:		
Deposits on franchise contracts	5,780,000	3,770,000
Deferred revenue	16,974,113	16,124,113
Total long-term liabilities	22,754,113	19,894,113
Member's equity	975,437,626	1,055,656,464
Total liabilities and equity	$ 1,001,325,451	$ 1,078,381,770

See notes to the financial statements.

Goddard Franchisor LLC
Statements of Operations
Year Ended December 31, 2023 and Period from August 19, 2022 through December 31, 2022

	Year Ended December 31, 2023	Period from August 19, 2022 through December 31, 2022
Revenues:		
Royalties	$ 96,207,680	$ 31,373,709
Fees on initial franchise contracts	3,598,583	563,777
Transfer fees and other revenue	945,559	617,500
Total revenues	100,751,822	32,554,986
Operating expenses:		
Selling, general and administrative	14,402	3,076
Amortization of intangible assets	77,981,462	28,366,585
Management fees	15,784,280	5,380,427
Other operating expense, net	543,715	49,462
Total operating expenses	94,323,859	33,799,550
Net income (loss)	$ 6,427,962	$ (1,244,564)

See notes to the financial statements.

Goddard Franchisor LLC
Statements of Member's Equity
Year Ended December 31, 2023 and Period from August 19, 2022 through December 31, 2022

	Total Member's Equity
Balance at August 19, 2022	$ -
Net Loss	(1,244,564)
Capital Contributions	1,081,818,870
Capital Distributions	(24,917,842)
Balance at December 31, 2022	$ 1,055,656,464
Net Income	6,427,962
Capital Contributions	469,429
Capital Distributions	(87,116,230)
Balance at December 31, 2023	**$ 975,437,626**

See notes to the financial statements.

Goddard Franchisor LLC
Statements of Cash Flows
Year Ended December 31, 2023 and Period from August 19, 2022 through December 31, 2022

	Year Ended December 31, 2023	Period from August 19, 2022 through December 31, 2022
Cash Flows From Operating Activities:		
Net income (loss)	$ 6,427,962	$ (1,244,564)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Amortization of intangible assets	36,300,011	13,177,398
Amortization of goodwill	41,681,449	15,189,187
Provision for bad debts	(14,402)	(3,076)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(910,739)	(3,101,787)
Increase (decrease) in:		
Accrued expenses	87,385	-
Deposits on franchise contracts	2,387,000	570,000
Deferred revenue	687,195	281,223
Other current liabilities	940	-
Net cash provided by operating activities	86,646,801	24,868,381
Cash Flows From Investing Activities:		
Acquisition of business, net of cash acquired	-	(1,081,269,408)
Net cash used in investing activities	-	(1,081,269,408)
Cash Flows From Financing Activities:		
Capital contributions	469,429	1,081,818,870
Distributions	(87,116,230)	(24,917,843)
Net cash provided by (used in) financing activities	(86,646,801)	1,056,901,027
Increase in cash	-	500,000
Cash		
Beginning of period	500,000	-
End of period	$ 500,000	$ 500,000

See notes to the financial statements.

Goddard Franchisor LLC

Notes to the Financial Statements

Note 1. Description of Business and Summary of Significant Accounting Policies

Description of business: Goddard Franchisor LLC (the Company), a special purpose Delaware limited liability company was organized and amended on July 7, 2022. The Company is a wholly owned subsidiary of the Goddard Funding LLC (Issuer), which is a special purpose Delaware limited liability company that is a wholly owned subsidiary of Goddard Holding Guarantor LLC (SPE Holdco), which a wholly owned subsidiary of Goddard Systems, LLC (Manager), which is a wholly owned subsidiary of SP Goddard Buyer LLC (Parent).

The Company was formed in connection with a financing transaction (the Securitization Transaction), which was completed on August 19, 2022 (see Note 2). The Company's operations include the sale of franchises under the name The Goddard School (the School) to franchisees for a 15-year renewable term. The franchise offered is the right to operate the School, which primarily offers preschool learning programs. Under the standard franchise contract, the Company, among other things, approves site locations, assists in obtaining financing, provides training and staff support during the School's opening and provides operational services to the franchisees during the term of the Franchise Agreement. The Company's franchisees are located throughout the United States.

Accounts receivable: Accounts receivable consist of monthly royalties and initial franchise contract fees net of an estimate made for doubtful receivables. The Company evaluates its accounts receivable balance on a monthly basis and may establish an allowance for credit losses based on a combination of historical experience, current and forecasted economic conditions, aging analysis and information related to specific accounts. Account balances are written off against the allowance after all means of collection have been exhausted and it is determined that further collection efforts will be unsuccessful. Recoveries of receivables previously written off will be recorded as income when received. Historically, the Company has not had a significant amount of write-offs. The allowance for doubtful accounts was $13,757 and $3,076 at December 31, 2023 and December 31, 2022, respectively.

The Company occasionally converts certain accounts receivable into notes receivable. Payment plans are set up to recur on a monthly basis varying in length and bear interest from 0% to 1.50%, compounded monthly. The Company has no notes receivables as of December 31, 2023 and December 31, 2022, respectively.

Goodwill: Goodwill represents the net book value at the time of the securitization transaction. The Company elected the private company alternative and amortizes goodwill on straight-line basis over ten years in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-02, *Intangibles - Goodwill and Other*.

Note 1. Description of Business and Summary of Significant Accounting Policies (continued)

The Company assesses goodwill for impairment upon a triggering event. Factors that could trigger an impairment test include but are not limited to, underperformance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the overall business, and significant negative industry or economic trends. The Company elected to assess goodwill for impairment at the entity level. If a triggering event occurs, the Company will proceed to test goodwill for impairment. When performing an impairment test, the Company has the option to perform a qualitative assessment to determine whether it is more-likely-than-not that the fair value of the entity level is less than its carrying amount. When the qualitative assessment of goodwill impairment is performed, significant judgement is required in the assessment of qualitative factors, including but not limited to, macroeconomic conditions as they relate to the business, industry, and market trends as well as the future financial performance of the entity level relative to historical or projected future operating results. If the Company determines that it is more-likely-than-not that the fair value of the entity level is greater than its carrying amount, the one-step goodwill impairment test is not required; otherwise, a quantitative assessment is performed, and the fair value of the entity level is determined. If the carrying value of the entity level exceeds its fair value, an impairment loss equal to the excess is recorded, limited to the total amount of goodwill of the entity level. No triggering events were identified through December 31, 2023.

Intangible assets: Intangible assets other than goodwill are carried at cost less accumulated amortization and accumulated impairment, if any. Acquired franchise agreements, trademarks, and developed technology are valued using an income approach. The Company's definite-lived intangible assets are amortized on a straight-line basis over their respective useful lives, principally 20 years for franchise agreements and trademarks, and 10 years for developed technology.

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset or an asset group may not be recoverable. The carrying value of a long-lived asset or asset group is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the carrying value is deemed not to be recoverable, an impairment loss is recorded equal to the amount by which the carrying value of the long-lived asset exceeds its fair value. The remaining estimated useful lives of definite-lived intangible assets are routinely reviewed and, if the estimate is revised, the remaining unamortized balance is amortized over the revised estimated useful life.

Amortization of intangible assets amounted to $36,300,011 for the year ended December 31, 2023 and $13,177,399 for the period from August 19, 2022 through December 31, 2022.

Revenue recognition and deferred revenue: The Company recognizes revenue in accordance with Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligation in the contract
- Recognize revenue when or as performance obligations are satisfied

Note 1. Description of Business and Summary of Significant Accounting Policies (continued)

Below is a discussion of how the Company's revenues are earned and the Company's accounting policies pertaining to revenue recognition under ASC Topic 606 and other required disclosures. The Company has elected to use the practical expedient under Accounting Standards Update (ASU) 2021-02, Franchisors—Revenue from Contracts with Customers (Subtopic 952-006): Practical Expedient (Practical Expedient) and has made the accounting policy election to recognize pre-opening services as a single performance obligation in accordance with the Practical Expedient.

Initial license fees: The Franchise Agreement provides for an initial license fee, which includes the payment of a deposit upon the execution of a Preliminary Agreement.

The Company determined that the services provided in exchange for these initial license fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to its franchisees. As a result, upon the adoption of Topic 606, the initial license fees were recognized on a straight-line basis over the term of each respective franchise agreement, which is consistent with the franchisee's right to use and benefit from the exclusivity of territory and operational support. The Company adopted ASU 2021-02, *Franchisors—Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient*. This ASU provides a practical expedient that permits a franchisor that is not a public business entity that enters into a franchise agreement to account for certain pre-opening services provided to a franchisee as distinct from the franchise license, such as training and site development fees. The Company applied this to all customer contracts as of the date of the initial agreement.

No related commissions and other direct costs are earned by Goddard Franchisor LLC.

Deposits on franchise contracts totaling $6.6 million at December 31, 2023 and $4.2 million at December 31, 2022, represent deposits made by franchisees upon signing Preliminary Agreements. Of these deposits, $840,000 and $463,000 at December 31, 2023 and December 31, 2022, respectively, have been classified as current, based on anticipated signing of Franchise Agreement. Deferred revenue of $19.2 million and $18.5 million at December 31, 2023 and December 31, 2022, respectively, represents amounts paid by franchisees upon signing Franchise Agreements.

Royalties: Monthly royalties due from the franchisees are determined based on a percentage of their monthly cash receipts, as defined in the Franchise Agreement. The timing and amount of revenue recognized related to continuing royalties was not impacted by the adoption of Topic 606.

Revenue from royalties, other income, and the training fee and site development fee component of initial franchise fees is recognized at a point in time, whereas revenue from initial license fees is recognized over time. Total revenue recognized at a point in time and over time was as follows:

	Year Ended December 31, 2023	Period from August 19 through December 31, 2022
Revenue recognized over time	**$ 2,436,555**	$ 783,777
Revenue recognized at a point in time	**98,315,267**	31,771,209
	$ 100,751,822	$ 32,554,986

Income taxes: The Company has elected to be treated as a Partnership for federal and state income tax purposes, whereby activity is passed through to its members. Accordingly, no provision for income taxes is included in the accompanying financial statements.

Note 1. Description of Business and Summary of Significant Accounting Policies (continued)

The Company files income tax returns in various other states jurisdictions. The Company's 2023 and 2022 tax years are still subject to state and local income tax examinations by tax authorities. It is difficult to predict the final timing and resolution of any particular uncertain tax positions. Based on the Company's assessment of many factors, the Company does not currently anticipate significant changes in its uncertain tax positions over the next 12 months.

Use of estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Recently adopted accounting pronouncements: In June 2016, the FASB issued ASU 2016-13 *Financial Instruments (Topic 326) – Measurement of Credit Losses on Financial Instruments*. This guidance modifies the impairment model to utilize an expected loss methodology in place of the currently used incurred loss methodology and requires a consideration of a broader range of reasonable and supportable information to inform credit loss estimates. ASU 2016-13 is effective for the Company on January 1, 2023. The adoption of the new Topic 326 standard on January 1, 2023 did not have a material impact on the consolidated financial statements.

Recent accounting pronouncements: The Company considered all recent accounting pronouncements and concluded none are expected to have a material impact on the consolidated financial statements.

Note 2. Securitization Transaction

In conjunction with the Securitization Transaction, Goddard Funding LLC (the Issuer) issued an aggregate principal amount of $400,000,000 Fixed Rate Senior Secured Notes, an aggregate principal amount of $20,000,000 Variable Funding Senior Secured Notes, and an aggregate principal amount of $7,000,000 Senior Secured Liquidity Reserve Notes (the Notes).

The Notes are secured by substantially all of the assets of SPE Holdco and its subsidiaries (collectively the Securitization Entities) and guaranteed by SPE Holdco and the Company. The Parent and all of its other subsidiaries (i.e., other than the Securitization Entities) are referred to as "Non-Securitization Entities". The net proceeds from the Securitization Transaction, after transaction expenses, were distributed to Manager and the Parent to repay substantially all of their outstanding indebtedness and to terminate all commitments thereunder, and for general corporate purposes.

On August 19, 2022, the Manager, via a series of contributions, contributed to the Company substantially all of its intellectual property, including all trademarks and internet domains (collectively, the Securitization IP), as well as all franchise agreements, preliminary agreements, and all rights to develop and expand substantially all franchising and licensing activities with respect to the brand (collectively, the Franchise Assets).

On August 19, 2022, the Company entered into the management agreement (the Management Agreement) with the Manager to perform certain services on behalf of the Securitization Entities including, among other things, performing certain franchising, marketing, franchisee note servicing, intellectual property, licensing, operating and reporting services and support services, as well as managing the intangible assets on behalf of the Securitization Entities. In exchange for providing such services, the Manager will be entitled to receive certain management fees on a monthly basis.

Note 3. Intangible Assets and Goodwill

Goodwill: The following table presents a summary of changes in goodwill in the period:

Goodwill		
August 19, 2022	$	-
Additions during period		409,884,711
Amortization		(15,189,187)
December 31, 2022	$	394,695,524
Amortization		(41,681,449)
December 31, 2023	**$**	**353,014,075**

As of December 31, 2023, the Company's net goodwill balance consisted of the following:

	Gross Carrying Amount		Accumulated Amortization		December 31, 2023 NBV		Remaining Life
Goodwill	$	409,884,711	$	56,870,636	$	353,014,075	8.5

There were no impairments of goodwill for the period presented.

Intangible Assets: As of December 31, 2023 and 2022, the Company's intangible assets consisted of the following:

Intangible Asset:	Gross Carrying Amount		Accumulated Amortization		December 31, 2023 NBV		Remaining Life
Trademarks	$	272,123,288	$	18,673,292	$	253,449,996	18.5
Franchise agreements		385,342,466		26,442,470		358,899,996	18.5
Developed technology		31,561,644		4,361,647		27,199,997	8.5
Total	**$**	**689,027,398**	**$**	**49,477,409**	**$**	**639,549,989**	

Intangible Asset:	Gross Carrying Amount		Accumulated Amortization		December 31, 2022 NBV		Remaining Life
Trademarks	$	272,123,288	$	4,973,288	$	267,150,000	19.5
Franchise agreements		385,342,466		7,042,466		378,300,000	19.5
Developed technology		31,561,644		1,161,644		30,400,000	9.5
Total	**$**	**689,027,398**	**$**	**13,177,398**	**$**	**675,850,000**	

As of December 31, 2023, amortization expense of goodwill and intangible assets subject to amortization is estimated to be as follows:

Years ending December 31:

2024	$	77,981,461
2025		77,981,461
2026		77,981,461
2027		77,981,461
2028		77,981,461
Thereafter		602,656,759
Total	**$**	**992,564,064**

Note 4. Related Party Transactions

The Company is a sub-guarantor of debt held by the Issuer and substantially all assets serve as collateral of Issuer-held debt.

As discussed in Note 2, the Company has a management services arrangement with the Manager to perform certain services on behalf of the Company. In exchange for the services, the Company pays a monthly management fee which is based on a percentage of cash collected from fees documented in the franchise agreement.

The Company engages in transactions with entities owned by the Manager where these entities collect cash relating to revenue recognized by the Company. Related party receivables and payables are settled at amounts and intervals as determined by the Manager. During the year ended December 31, 2023 and the period August 19, 2022, through December 31, 2022, $87.1 million and $24.9 million, respectively, of related party receivables were settled through distributions to the Issuer.

Note 5. Subsequent Events

The Company's management has evaluated all activity of the Company through April 26, 2024, and concluded that subsequent events are properly reflected in the Company's financial statements and notes as required by ASC 855, Subsequent Events.

Goddard Systems, LLC
and Subsidiaries

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Goddard Systems, LLC and Subsidiaries

Opinion

We have audited the consolidated financial statements of Goddard Systems, LLC and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in member's equity and cash flows for the year ended December 31, 2023 (Successor), and for the period from June 30, 2022 through December 31, 2022 (Successor), and the related notes to the consolidated financial statements. We have also audited the financial statements of Goddard Systems, Inc., which comprise the statements of operations, changes in shareholder's equity, and cash flows for the period from January 1, 2022 through June 29, 2022 (Predecessor), and the related notes to the financial statements. The consolidated financial statements of the Successor and the Predecessor and the related notes to the consolidated financial statements are collectively referred to herein as the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Goddard Systems, LLC and Subsidiaries as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the year ended December 31, 2023 (Successor), for the period from June 30, 2022 through December 31, 2022 (Successor), and the results of the operations and cash flows of Goddard Systems, Inc. for the period from January 1, 2022 through June 29, 2022 (Predecessor), in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

RSM US LLP

Blue Bell, Pennsylvania
April 26, 2024

Goddard Systems, LLC and Subsidiaries

Consolidated Balance Sheets
December 31, 2023 and 2022

	Successor December 31, 2023	Successor December 31, 2022
Assets		
Current assets:		
Cash	$ 14,193,221	$ 10,470,519
Restricted cash	6,606,942	6,371,644
Accounts receivable, net	8,418,801	7,714,319
Due from affiliate	721,568	453,382
Prepaid expenses and other	2,693,606	3,194,436
Deferred opening expenses	61,500	10,000
Total current assets	32,695,638	28,214,300
Property and equipment, net	1,431,417	1,254,572
Right-of-use asset	4,150,697	4,823,698
Other assets:		
Intangible assets, net	639,549,989	675,850,000
Goodwill, net	353,014,075	394,695,524
Deferred opening expenses	739,767	291,000
Deposits and other	646,557	685,034
Total other assets	993,950,388	1,071,521,558
Total assets	$ 1,032,228,140	$ 1,105,814,128
Liabilities and Member's Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 19,741,365	$ 14,590,473
Deferred revenue	2,205,388	2,368,193
Deposits on franchise contracts	840,000	463,000
Note payable	4,000,000	4,000,000
Other current liabilities	1,521,431	1,042,827
Total current liabilities	28,308,184	22,464,493
Long-term liabilities:		
Deposits on franchise contracts	5,780,000	3,770,000
Deferred revenue	16,974,113	16,124,113
Note payable	442,796,067	385,935,997
Other long-term liabilities	3,936,158	7,611,289
Total long-term liabilities	469,486,338	413,441,399
Member's equity	534,433,618	669,908,236
Total liabilities and member's equity	$ 1,032,228,140	$ 1,105,814,128

See notes to the consolidated financial statements.

Goddard Systems, LLC and Subsidiaries

Consolidated Statements of Operations
Year Ended December 31, 2023, Period from June 30, 2022 through December 31, 2022, Period from January 1, 2022 through June 29, 2022, and Year Ended December 31, 2021

	Successor		Predecessor	
	Year ended December 31, 2023	Period from June 30, 2022 through December 31, 2022	Period from January 1, 2022 through June 29, 2022	Year ended December 31, 2021
Revenues:				
Royalties	**$ 96,207,680**	$ 42,543,816	$ 42,410,642	$ 69,444,943
Fees on initial franchise contracts	**3,598,583**	1,446,943	1,733,250	3,648,749
Transfer fees and other revenue	**982,509**	245,223	279,941	169,108
Total revenues	**100,788,772**	44,235,982	44,423,833	73,262,800
Operating expenses:				
Personnel	**35,422,172**	19,360,851	12,018,864	23,981,294
Travel expense	**2,235,245**	918,889	894,367	651,416
Convention	**2,263,415**	3,361	751,530	176,442
Selling, general and administrative	**13,072,762**	7,014,069	7,206,004	15,360,002
Amortization of intangible assets	**77,981,461**	38,923,448	-	-
Management fees	**-**	-	1,500,000	3,000,000
Acquisition-related costs	**-**	10,057,647	27,881,055	-
Other operating expense, net	**1,250,091**	328,724	360,630	563,999
Total operating expenses	**132,225,146**	76,606,989	50,612,450	43,733,153
Income (loss) from operations	**(31,436,374)**	(32,371,007)	(6,188,617)	29,529,647
Other (expense) income:				
Charitable contributions	**(1,093)**	(830)	(7,988)	(6,419)
Interest (expense) income	**(29,422,186)**	(10,737,676)	164,667	72,641
Loss on sale of assets	**-**	-	(17,048)	-
Net income (loss)	**$ (60,859,653)**	$ (43,109,513)	$ (6,048,986)	$ 29,595,869

See notes to the consolidated financial statements.

Goddard Systems, LLC and Subsidiaries

Consolidated Statement of Member's Equity
Year Ended December 31, 2023 and Period from June 30, 2022 through December 31, 2022

	Total Member's Equity
Successor:	
Balance at June 30, 2022	$ -
Net loss	(43,109,513)
Capital contribution	1,105,487,806
Vesting of incentive units	948,000
Vesting of acquired units	9,265,482
Distributions	(402,683,539)
Balance at December 31, 2022	669,908,236
Net loss	(60,859,653)
Capital contribution	450,000
Vesting of incentive units	2,320,000
Vesting of acquired units	435,308
Distributions	(77,820,273)
Balance at December 31, 2023	**$ 534,433,618**

See notes to the consolidated financial statements.

Goddard Systems, LLC and Subsidiaries

Consolidated Statements of Shareholder's Equity
Period from January 1, 2022 through June 29, 2022, and Year Ended December 31, 2021

	Common Stock		Additional Paid-In	Retained	Total Shareholder's
	Shares	Amount	Capital	Earnings (Deficit)	Equity (Deficit)
Predecessor:					
Balance at January 1, 2021	9,000	$ 90	$ 3,223,905	$ 17,574,114	$ 20,798,109
Net income	-	-	-	29,595,869	29,595,869
Distributions	-	-	-	(38,000,000)	(38,000,000)
Balance at December 31, 2021	9,000	90	3,223,905	9,169,983	12,393,978
Net loss	-	-	-	(6,048,986)	(6,048,986)
Distributions	-	-	-	(44,676,282)	(44,676,282)
Balance at June 29, 2022	**9,000**	**$ 90**	**$ 3,223,905**	**$ (41,555,284)**	**$ (38,331,289)**

See notes to the consolidated financial statements.

Goddard Systems, LLC and Subsidiaries

Statements of Cash Flows
Year Ended December 31, 2023, Period from June 30, 2022 through December 31, 2022, Period from January 1, 2022 through June 29, 2022, and Year Ended December 31, 2021

	Successor		Predecessor	
	Year ended December 31, 2023	Period from June 30, 2022 through December 31, 2022	Period from January 1, 2022 through June 29, 2022	Year ended December 31, 2021
Cash Flows From Operating Activities				
Net income (loss)	**$ (60,859,653)**	$ (43,109,513)	$ (6,048,986)	$ 29,595,869
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation	**584,857**	197,200	856,416	1,279,853
Amortization of intangible assets	**36,300,011**	18,150,000	-	-
Amortization of goodwill	**41,681,449**	20,773,448	-	-
Unit-based compensation expense	**2,755,308**	948,000	-	-
Non-cash interest expense	**1,348,730**	497,509	-	-
Non-cash acquisition-related costs	**-**	9,265,482	-	-
Loss on disposal of equipment	**4,006**	1,979	17,048	-
Provision for bad debts	**(14,402)**	(3,076)	3,005	(2,872)
Changes in operating assets and liabilities:				
Accounts receivable	**(958,266)**	(448,307)	(673,945)	(1,074,378)
Prepaid expenses, deposits and other	**500,830**	(831,616)	842,224	(1,329,841)
Deferred opening expenses	**(500,267)**	(301,000)	1,478	104,755
Right-of-use asset	**673,001**	360,982	(5,261,420)	-
Accounts payable, accrued expenses and due to affiliate	**5,150,892**	11,593,586	24,480,165	(400,460)
Deposits on franchise contracts	**2,376,793**	893,261	171,750	(178,750)
Other liabilities	**(3,196,527)**	315,383	6,017,112	521,993
Deferred revenue	**687,195**	319,833	3,083	650,862
Net cash provided by operating activities	**26,533,957**	18,623,151	20,407,930	29,167,031
Cash Flows From Investing Activities				
Purchases of property and equipment	**(765,708)**	(807,126)	(15,308)	(1,651,683)
Acquisition of business, net of cash acquired	**-**	(1,092,567,409)	-	-
Net cash used in investing activities	**(765,708)**	(1,093,374,535)	(15,308)	(1,651,683)
Cash Flows From Financing Activities				
Capital contributions	**450,000**	1,105,487,806	-	-
Distributions	**(77,820,273)**	(402,683,539)	(44,676,282)	(38,000,000)
Proceeds from issuance of note payable	**64,000,000**	400,000,000	-	-
Payments of long term debt	**(7,000,000)**	-	-	-
Payments of debt issuance costs related to note payable	**(1,411,476)**	(10,503,127)	-	-
Payments of deferred financing fees	**(28,500)**	(707,593)	-	-
Net cash provided by (used in) financing activities	**(21,810,249)**	1,091,593,547	(44,676,282)	(38,000,000)
Increase (decrease) in cash	**3,958,000**	16,842,163	(24,283,660)	(10,484,652)
Cash and restricted cash				
Beginning of period	**16,842,163**	-	26,330,736	36,815,388
End of period	**$ 20,800,163**	$ 16,842,163	$ 2,047,076	$ 26,330,736
Supplemental disclosure of noncash operating, investing, and financing information:				
Cash paid for interest	**$ 27,867,181**	$ 5,509,548	$ -	$ -
Cash paid for lease	**$ 1,080,401**	$ 521,351	$ 515,976	$ -
Assets placed in service	**$ -**	$ -	$ -	$ 1,936,646

See notes to the consolidated financial statements.

Note 1. Description of Business and Summary of Significant Accounting Policies

Description of business: Goddard Systems, LLC (the "Company" or the “Successor”) is a Pennsylvania limited liability company based in King of Prussia, Pennsylvania.

On June 30, 2022, pursuant to an Equity Purchase Agreement (the “Purchase Agreement”), the Company was acquired (“the Sycamore Acquisition”) by SP Goddard Buyer, LLC (the "Buyer"), which is owned by certain investment funds managed by Sycamore Partners LLC and other minority investors. Pursuant to the Purchase Agreement, Goddard Systems, Inc. (the “Predecessor”) converted to Goddard Systems, LLC. See Note 2 for further description of the Sycamore Acquisition.

The Company’s operations include the sale of franchises under the name The Goddard School (the “School”) to franchisees for a 15-year renewable term. The franchise offered is the right to operate the School, which primarily offers preschool learning programs. Under the standard franchise contract, the Company, among other things, approves site locations, assists in obtaining financing, provides training and staff support during the School’s opening and provides operational services to the franchisees during the term of the Franchise Agreement. The Company’s franchisees are located throughout the United States.

Basis of Presentation and Principles of Consolidation: The accompanying consolidated financial statements have been presented in conformity with accounting principles generally accepted in the United States (“GAAP”) and include the operations of the Company and its wholly owned subsidiaries. The Company applies the private company alternative under ASC 810-10-15-17AD and as a result, does not apply the variable interest entity consolidation model to its qualifying common-control arrangements.

Concurrent with the Sycamore Acquisition, the Company has applied the acquisition method of accounting in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic *805, Business Combinations*, including electing the application of “push-down accounting”, which results in Buyer’s cost basis being assigned to the Company’s assets and liabilities.

As a result, the consolidated financial statements for the periods prior to, and including, June 29, 2022 reflect the financial statements of the Company prior to the Sycamore Acquisition (referred to herein as the “Predecessor” or “Predecessor Financial Statements”). Subsequent to June 29, 2022, the consolidated financial statements reflect the Company after the Sycamore Acquisition (referred to herein as the “Successor” or “Successor Financial Statements”). The Company’s assets and liabilities were adjusted to fair value on June 30, 2022, the closing date of the Sycamore Acquisition. Where applicable, the Predecessor and Successor periods have been separated by a vertical line to highlight the fact that the periods have been presented under the two different bases of accounting, and therefore are not necessarily comparable.

Business Combinations: The Company accounts for business combinations under the acquisition method of accounting. Under this method, acquired assets, including separately identifiable intangible assets, and any assumed liabilities are recorded at their acquisition date estimated fair value. The excess of purchase price over the fair value amounts assigned to the assets acquired and liabilities assumed is recorded as goodwill.

These fair value determinations require judgment and involve the use of significant estimates and assumptions, including assumptions with respect to the selection of valuation methodologies, estimates of future cash inflows and outflows, discount rates, and selection of comparable companies. The Company engages valuation specialists for assistance in determining fair values of assets acquired and liabilities assumed in a business combination. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the fair value of assets acquired and liabilities assumed, with a corresponding offset to goodwill.

Note 1. Description of Business and Summary of Significant Accounting Policies (continued)

Concentrations of credit risk: Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. The Company maintains cash deposits in excess of federally insured limits. Management believes the risk is mitigated by maintaining all deposits in high quality financial institutions or with the Cash Manager, as defined in Note 8. The Company had a Cash Management agreement for the Predecessor period, ending June 29, 2022. No such agreement was in place for the Successor periods.

Cash: For the purposes of preparing the consolidated statements of cash flows, the Company considers all funds held with financial institutions or the Cash Manager, as defined in Note 8, that are available on demand and short-term investments that have an original maturity of three months or less as cash and cash equivalents. The Company had a Cash Management agreement for the Predecessor period, ending June 29, 2022. No such agreement was in place for the Successor periods.

Restricted cash: In accordance with the Company's securitized financing facility, which is described in Note 7, certain cash accounts have been established in the name of Citibank, N.A. (the "Trustee"). The Company holds restricted cash that primarily represents cash collections held by the Trustee, which includes interest, principal, and commitment fee reserves. As of December 31, 2023, the Company had restricted cash held by the Trustee of $6.6 million. Restricted cash has been combined with cash and cash equivalents when reconciling the beginning and end of period balances in the consolidated statements of cash flows.

Accounts receivable: Accounts receivable consist of monthly royalties and initial franchise contract fees net of an estimate made for doubtful receivables. The Company evaluates its accounts receivable balance on a monthly basis and may establish an allowance for credit losses based on a combination of historical experience, current and forecasted economic conditions, aging analysis and information related to specific accounts. Account balances are written off against the allowance after all means of collection have been exhausted and it is determined that further collection efforts will be unsuccessful. Recoveries of receivables previously written off will be recorded as income when received. Historically, the Company has not had a significant amount of write-offs. The allowance for doubtful accounts was $13,757 and $3,076 at December 31, 2023 and 2022, respectively.

The Company occasionally converts certain accounts receivable into notes receivable. Payment plans are set up to recur on a monthly basis varying in length and bear interest from 0% to 1.50%, compounded monthly. All notes receivables are current and do not bear interest as of December 31, 2023 and 2022. Notes receivables are $0 and $9,006, as of December 31, 2023 and 2022, respectively, and are included within accounts receivable on the accompanying consolidated balance sheets.

Property and equipment: Property and equipment are stated at cost, with the exception of property and equipment from acquisitions, which are recorded at fair value on the date of acquisition. Property and equipment consist of furniture and fixtures, computer equipment, software and leasehold improvements. Depreciation is computed by the straight-line and declining-balance methods over the estimated useful lives, ranging from 3 to 15 years, of the related assets.

Goodwill: The Company records goodwill as the excess of aggregate consideration paid in a business combination over the fair value of the identifiable net assets acquired. The Company elected the private company alternative and amortizes goodwill on straight-line basis over ten years in accordance with FASB ASU 2014-02, *Intangibles - Goodwill and Other*.

Note 1. Description of Business and Summary of Significant Accounting Policies (continued)

The Company assesses goodwill for impairment upon a triggering event. Factors that could trigger an impairment test include but are not limited to, underperformance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the overall business, and significant negative industry or economic trends. The Company elected to assess goodwill for impairment at the entity level. If a triggering event occurs, the Company will proceed to test goodwill for impairment. When performing an impairment test, the Company has the option to perform a qualitative assessment to determine whether it is more-likely-than-not that the fair value of the entity level is less than its carrying amount. When the qualitative assessment of goodwill impairment is performed, significant judgement is required in the assessment of qualitative factors, including but not limited to, macroeconomic conditions as they relate to the business, industry, and market trends as well as the future financial performance of the entity level relative to historical or projected future operating results. If the Company determines that it is more-likely-than-not that the fair value of the entity level is greater than its carrying amount, the one-step goodwill impairment test is not required; otherwise, a quantitative assessment is performed, and the fair value of the entity level is determined. If the carrying value of the entity level exceeds its fair value, an impairment loss equal to the excess is recorded, limited to the total amount of goodwill of the entity level. No triggering events were identified through December 31, 2023.

Intangible assets: Intangible assets other than goodwill are carried at cost less accumulated amortization and accumulated impairment, if any. Acquired franchise agreements, trademarks, and developed technology are valued using an income approach. The Company's definite-lived intangible assets are amortized on a straight-line basis over their respective useful lives, principally 20 years for franchise agreements and trademarks, and 10 years for developed technology.

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset or an asset group may not be recoverable. The carrying value of a long-lived asset or asset group is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the carrying value is deemed not to be recoverable, an impairment loss is recorded equal to the amount by which the carrying value of the long-lived asset exceeds its fair value. The remaining estimated useful lives of definite-lived intangible assets are routinely reviewed and, if the estimate is revised, the remaining unamortized balance is amortized over the revised estimated useful life.

Amortization of intangible assets amounted to $36.3 million for the year ended December 31, 2023, $18.2 million, and $0, for the Successor period, June 30, 2022 through December 31, 2022, and Predecessor period, January 1, 2022 through June 29, 2022, respectively, and $0 for the year ended December 31, 2021.

Leases: In accordance with ASC 842, the Company determines if a contract is a lease or contains a lease at the date of inception. If a lease is determined to exist, the term of such lease is assessed based on the date on which the underlying asset is made available for the Company's use by the lessor. The Company's assessment of the lease term reflects the non-cancelable term of the lease, inclusive of any rent-free periods and any periods covered by early termination options which the Company is reasonably certain of not exercising, as well as periods covered by renewal options which the Company is reasonably certain to exercise. The Company also determines lease classification as of the lease commencement date, which governs the pattern of expense recognition and the presentation reflected in the consolidated statements of operations over the lease term.

Note 1. Description of Business and Summary of Significant Accounting Policies (continued)

The Company made an accounting policy election not to recognize right of use assets and lease liabilities for leases with a term of twelve months or less. For leases with a term exceeding 12 months, a lease liability is recognized in other current and long-term liabilities on the Company's consolidated balance sheets at lease commencement date (or January 1, 2022, for existing leases upon the adoption of ASC 842) reflecting the present value of its fixed payment obligations over the lease term. A corresponding right-of-use ("ROU") asset equal to the initial lease liability is also recognized, adjusted for any prepaid rent and/or initial direct costs incurred in connection with execution of the lease and reduced by any lease incentives received.

The Company uses its incremental borrowing rate, which is the rate of interest the Company would have to pay to borrow on a collateralized basis over a similar term and amount in a similar economic environment, to determine the present value of fixed lease payments, as the Company's leases do not have a readily determinable implicit discount rate. Judgment is applied in assessing factors such as Company specific credit risk, lease term, nature, and quality of the underlying collateral, currency, and economic environment in determining the incremental borrowing rate to apply to each lease.

For the Company's operating leases, fixed lease payments made over the lease term are recorded as lease expense on a straight-line basis. For leases with a term of 12 months or less, any fixed lease payments are recognized on a straight-line basis over the lease term and are not recognized on the Company's consolidated balance sheets as an accounting policy election. Variable lease payments are expensed as incurred.

Lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index). Subsequent changes to an index and any other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred.

The Company elected the practical expedient that permits lessees to account for each separate lease component of a contract and its associated non-lease components as a single lease component for all asset classes. The non-lease components typically represent additional services transferred to the Company, such as common area maintenance, or real estate taxes, which are variable in nature and recorded in variable lease expense in the period incurred.

Revenue recognition: The Company recognizes revenue in accordance with Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligation in the contract
- Recognize revenue when or as performance obligations are satisfied

Below is a discussion of how the Company's revenues are earned and the Company's accounting policies pertaining to revenue recognition under ASC Topic 606 and other required disclosures. The Company has elected to use the practical expedient under Accounting Standards Update (ASU) 2021-02, *Franchisors-Revenue from Contracts with Customers (Subtopic 952-006): Practical Expedient* (Practical Expedient) and has made the accounting policy election to recognize pre-opening services as a single performance obligation in accordance with the Practical Expedient. Refer to Note 12 for information regarding the amount by which each balance sheet and statement of operations line item was impacted in the prior reporting period as compared to ASC Topic 606.

Note 1. Description of Business and Summary of Significant Accounting Policies (continued)

Initial license fees: The Franchise Agreement provides for an initial license fee, which includes the payment of a deposit upon the execution of a Preliminary Agreement. These payments are deferred when received and, under Legacy GMP, recognized as income when the School opened. Related commissions and other direct costs are deferred and classified as other assets and were expensed when the related School opened or a Preliminary Agreement is terminated. A portion of the Preliminary Agreement deposit is refundable if the Preliminary Agreement was executed prior to 2021 and is terminated.

Upon the adoption of Topic 606, the Company determined that the services provided in exchange for these initial license fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to its franchisees. As a result, upon the adoption of Topic 606, the initial license fees were recognized on a straight-line basis over the term of each respective franchise agreement, which is consistent with the franchisee's right to use and benefit from the exclusivity of territory and operational support. During 2021, the Company adopted ASU 2021-02, Franchisors-Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient. This ASU provides a practical expedient that permits a franchisor that is not a public business entity that enters into a franchise agreement to account for certain pre-opening services provided to a franchisee as distinct from the franchise license, such as training and site development fees. The Company applied this to all customer contracts as of the date of the initial agreement.

Deferred opening expenses of $801,267 and $301,000 at December 31, 2023 and 2022, respectively, represent commissions and other costs paid to individuals who performed certain services related to prospective franchisees who have entered into Preliminary Agreements. These costs are deferred until such time as franchise revenue associated with these opening expenses is recognized.

Deposits on franchise contracts totaling $6.6 million and $4.2 million at December 31, 2023 and 2022, respectively, represent deposits made by franchisees upon signing Preliminary Agreements. Of these deposits, $840,000 and $463,000 at December 31, 2023 and 2022, respectively, have been classified as current, based on anticipated signing of Franchise Agreement. Deferred revenue of $19.2 million and $18.5 million at December 31, 2023 and 2022, respectively, represents license fees paid by franchisees upon school openings.

Royalties: Monthly royalties due from the franchisees are determined based on a percentage of their monthly receipts, as defined in the Franchise Agreement. The timing and amount of revenue recognized related to continuing royalties was not impacted by the adoption of Topic 606.

Revenue from royalties, transfer fees and other income, and the training fee and site development fee component of initial franchise fees is recognized at a point in time, whereas revenue from remaining initial license fees is recognized over time. Total revenue recognized at a point in time and over time was as follows for the year ended December 31, 2023, the Successor period, June 30, 2022 through December 31, 2022, Predecessor period, January 1, 2022 through June 29, 2022, and year ended December 31, 2021:

	Successor		Predecessor	
	Year ended December 31, 2023	Period from June 30 through December 31, 2022	Period from January 1 through June 29, 2022	Year ended December 31, 2021
Revenue recognized over time	**$ 2,436,555**	$ 1,085,166	$ 1,011,917	$ 2,179,138
Revenue recognized at a point in time	**98,352,217**	43,150,816	43,411,916	71,083,662
	$ 100,788,772	$ 44,235,982	$ 44,423,833	$ 73,262,800

The Franchise Agreement also requires advertising to be paid directly to a related party (see Note 8) for promotional and advertising services for the benefit of the respective franchisees and the franchise system.

Note 1. Description of Business and Summary of Significant Accounting Policies (continued)

Advertising costs: The Company participates in various advertising programs. All costs related to advertising are included in selling, general and administrative expenses and are expensed in the period incurred. Such costs charged to operations were $1,275,993 for the year ended December 31, 2023, $366,466, and $357,122 for the Successor period, June 30, 2022 through December 31, 2022 and Predecessor period, January 1, 2022 through June 29, 2022, respectively and $419,560 for the year ended December 31, 2021.

Income taxes: The Predecessor's tax status with the Internal Revenue Services is an S corporation subsidiary. As an S corporation subsidiary, the Predecessor is considered a flow-through entity. Taxable income generated after the election is passed directly to the shareholder and the Predecessor is not required to pay income tax on such taxable income generated. However, because certain states do not recognize S corporation status, the Predecessor may be required to pay certain state income taxes. The Predecessor is not subject to income tax examinations by U.S. federal, state or local tax authorities for years before 2020.

The Successor has elected to be treated as a Partnership for federal and state income tax purposes, whereby activity is passed through to its members. Accordingly, no provision for income taxes is included in the accompanying financial statement.

The Successor files income tax returns in various other states jurisdictions. The Successor's 2023 tax year is subject to state and local income tax examinations by tax authorities. It is difficult to predict the final timing and resolution of any particular uncertain tax positions. Based on the Successor's assessment of many factors, the Company does not currently anticipate significant changes in its uncertain tax positions over the next 12 months.

For the year ended December 31, 2023, Successor period, June 30, 2022 through December 31, 2022, Predecessor period, January 1, 2022 through June 29, 2022, and year ended December 31, 2021, management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the consolidated financial statements.

Use of estimates: The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently adopted accounting pronouncements: In June 2016, the FASB issued ASU 2016-13 *Financial Instruments (Topic 326) – Measurement of Credit Losses on Financial Instruments*. This guidance modifies the impairment model to utilize an expected loss methodology in place of the currently used incurred loss methodology and requires a consideration of a broader range of reasonable and supportable information to inform credit loss estimates. ASU 2016-13 is effective for the Company on January 1, 2023. The adoption of the new Topic 326 standard on January 1, 2023 did not have a material impact on the consolidated financial statements.

Recent accounting pronouncements: The Company considered all recent accounting pronouncements and concluded none are expected to have a material impact on the consolidated financial statements.

Note 2. Business Combination

As a result of the Sycamore Acquisition discussed in Note 1, Buyer obtained control of the Company on June 30, 2022. The Company elected to apply pushdown accounting by applying the guidance in ASC 805, Business Combinations. In accordance with ASC 805, all identifiable assets and assumed liabilities of the Company were measured at and adjusted to their estimated fair values as of June 30, 2022, and goodwill was recognized based on the difference between the purchase price and the estimated fair value of the identifiable net assets acquired, including the acquired intangible assets.

The consideration transferred was $1.09 billion, inclusive of $1.07 billion of cash paid directly to sellers and $27.9 million of transaction expenses, net of cash acquired of $2.0 million.

The following table summarizes the estimated fair value of identifiable assets acquired and liabilities assumed in the Sycamore Acquisition and the resulting goodwill as of the acquisition date:

Accounts receivable	$	7,711,225
Prepaid expenses and other current assets		2,362,820
Property and equipment		651,719
Right-of-use assets		5,184,680
Intangible assets		694,000,000
Other assets		39,088
Accounts payable, accrued expenses and other current liabilities		(3,407,667)
Deferred revenue		(18,172,474)
Lease liability		(5,855,008)
Other long-term liabilities		(5,415,946)
Total identifiable net assets/(liabilities) assumed		677,098,437
Goodwill		415,468,972
	$	**1,092,567,409**

The fair values of the identifiable intangible assets acquired at the date of the Sycamore Acquisition are as follows (in thousands):

		Acquisition Date Fair Value	Amortization Period (Years)
Franchise Agreements	$	388,000,000	20
Trademarks		274,000,000	20
Developed Technology		32,000,000	10
Total	**$**	**694,000,000**	

Goodwill reflects the synergistic nature of the Company's identifiable assets that, when employed in combination, generate value in excess of their individual values. Additionally, a portion of goodwill reflects the value of the Company's assembled workforce.

Transaction expenses associated with the Sycamore Acquisition for the period from June 30, 2022 through December 31, 2022 (Successor) and for the period from January 1, 2022 through June 29, 2022 (Predecessor) were $10.1 million and $27.9 million, respectively, which are classified as acquisition-related costs on the consolidated statements of income (loss) for the respective periods.

The transaction expenses of the Successor comprised of $9.3 million related to the issuance of Class L profit units and $0.8 million of legal and accounting fees.

Note 3. Variable Interest Entities Under Common Control

The Company engages TGS Marketing Fund ("TGS"), a company under common control, to administer advertising and promotional programs on behalf of the Company's franchisees. The costs of TGS's advertising and promotional programs are funded through TGS's collection of marketing fees from the respective franchisees. The Company may pay certain expenses on TGS's behalf, which results in a receivable due from TGS.

The involvement of the Company with TGS Marketing Fund LLC did not result in a material net impact on the Company's consolidated financial statements. As of December 31, 2023 and December 31, 2022, the Company had $721,568 and $453,382, due from TGS classified as due from affiliate on the consolidated balance sheets, respectively. The Company did not have any assets and liabilities resulting from its involvement with TGS.

There is a risk that the advertising expenses exceed the related marketing fees collected from the respective franchisees, however, this risk is remote, as the advertising expense incurred by TGS are closely monitored and intended to be limited to the marketing fee revenue collected from the respective franchisees. If the Company pays certain expenses on behalf of TGS Marketing Fund and TGS Marketing Fund fails to collect marketing revenue from the franchisees, there is a risk that the Company would not be reimbursed. The Company's exposure to loss resulting from its involvement with TGS is considered remote.

The Company elected the private company alternative under ASC 810-10-15-17AD and does not apply the variable interest entity consolidation model to its qualifying common-control arrangements.

Note 4. Intangible Assets and Goodwill

Goodwill: Prior to the Sycamore Acquisition, the Predecessor's did not have any goodwill. In connection with purchase accounting, the Successor established an opening goodwill balance of $415.5 million during the Period from June 30, 2022 through December 31, 2022. The following table presents a summary of changes in goodwill for the Successor periods:

Goodwill		
June 30, 2022	$	-
Additions during period		415,468,972
Amortization		(20,773,448)
December 31, 2022	$	394,695,524
Amortization		(41,681,449)
December 31, 2023	**$**	**353,014,075**

As of December 31, 2023, the Company's net goodwill balance consisted of the following:

	Gross Carrying Amount	**Accumulated Amortization**	**12/31/23 NBV**	**Remaining Life**
Goodwill	$ 415,468,972	$ 62,454,897	$ 353,014,075	8.5

There were no impairments of goodwill for any of the periods presented.

Note 4. Intangible Assets and Goodwill (continued)

Intangible Assets: As of December 31, 2023 and 2022, the Company's intangible assets consisted of the following:

Intangible Asset:	Gross Carrying Amount	Accumulated Amortization	12/31/23 NBV	Remaining Life
Trademarks	$ 274,000,000	$ 20,550,004	$ 253,449,996	18.5
Franchise agreements	388,000,000	29,100,004	358,899,996	18.5
Developed technology	32,000,000	4,800,003	27,199,997	8.5
Total	**$ 694,000,000**	**$ 54,450,011**	**$ 639,549,989**	

Intangible Asset:	Gross Carrying Amount	Accumulated Amortization	12/31/22 NBV	Remaining Life
Trademarks	$ 274,000,000	$ 6,850,000	$ 267,150,000	19.5
Franchise agreements	388,000,000	9,700,000	378,300,000	19.5
Developed technology	32,000,000	1,600,000	30,400,000	9.5
Total	**$ 694,000,000**	**$ 18,150,000**	**$ 675,850,000**	

Amortization expense associated with these assets totaled $36.3 million and $18.2 million for the Year ended December 31, 2023 and for the Successor period from June 30, 2022 through December 31, 2022, respectively.

There were no intangible assets recognized in the Predecessor Periods.

As of December 31, 2023, amortization expense of goodwill and intangible assets subject to amortization is estimated to be as follows:

2024	$ 77,846,897
2025	77,846,897
2026	77,846,897
2027	77,846,897
2028	77,846,897
Thereafter	603,329,579
Total	**$ 992,564,064**

Note 5. Property and Equipment

At December 31, 2023 and 2022, property and equipment consisted of:

	Successor December 31, 2023	Successor December 31, 2022
Furniture and fixtures	$ 106,001	$ 106,001
Computer equipment and software	2,026,189	1,266,002
Leasehold improvements	79,061	79,061
	2,211,251	1,451,064
Less accumulated depreciation	(779,834)	(196,492)
	$ 1,431,417	$ 1,254,572

Note 5. Property and Equipment (continued)

Depreciation expense amounted to $584,857 for the year ended December 31, 2023, $197,200 and $856,416 for the Successor period, June 30, 2022 through December 31, 2022 and Predecessor period, January 1, 2022 through June 29, 2022, respectively, and $1,279,853 for the year ended December 31, 2021, and is included in selling, general and administrative expenses on the accompanying consolidated statements of operations.

Note 6. Leases

As of December 31, 2023, the Company leases office space under an operating lease agreement. The operating lease is set to expire in August 2028. Lease terms do not reflect extension or purchase options because the Company is not reasonably certain to exercise them.

The Company is obligated for the cost of real estate taxes, insurance and maintenance charges relating to its lease, which are considered variable lease costs and are expensed as incurred.

The calculation of the right-of-use asset and lease liability include fixed lease payments over the lease term. Variable lease payments are excluded from the right-of-use assets and lease liabilities and are instead expensed in the period in which the obligation for those payments is incurred. To determine the present value of future fixed lease payments, the Company utilized its incremental borrowing rate ("IBR") adjusted for the lease term and the form of underlying collateral. The discount rate implicit in the leases was not readily determinable.

Lease expense for lease payments related to the Company's operating lease is recognized on a straight-line basis over the remaining lease term. The Company's lease agreements do not contain residual value guarantees or material restrictive covenants.

As a result of the acquisition by SP Goddard Buyer, LLC discussed further in Note 2, the Company remeasured the lease liability and right of use asset to fair value. The lease liability was remeasured based on the remaining lease payments as of June 30, 2022, discounted using a new IBR determined as of June 30, 2022.

The components of lease expense and other lease information for the year ended December 31, 2023, the Successor period from June 30, 2022 through December 31, 2022 and the predecessor period from January 1, 2022 through June 29, 2022, were as follows:

	Successor	Successor	Predecessor
	Year Ended December 31, 2023	Period from June 30 through December 31, 2022	Period from January 1 through June 29, 2022
Operating lease cost	$ 1,000,607	$ 489,516	$ 489,516
Variable lease cost	77,983	10,882	(6,956)
Operating lease expense	1,078,590	500,398	482,560
Short-term rent expense	27,185	13,517	13,668
Total lease cost	$ 1,105,775	$ 513,915	$ 496,228

Note 6. Leases (continued)

The weighted-average remaining lease term and discount rate were as follows:

	Successor As of December 31, 2023	Successor As of December 31, 2022
Weighted-average remaining lease term (in years) used for:		
Operating leases	4.7	5.7
Weighted-average discount rate used for:		
Operating leases	4.64%	4.64%

Supplemental disclosure of cash flow information related to leases was as follows:

	Successor Year Ended December 31, 2023	Successor Period from June 30, through December 31, 2022	Predecessor Period from January 1 through June 29, 2022
Cash paid for amounts included in the measurement of operating lease liabilities	$ 1,080,401	$ 521,351	$ 515,976

As of December 31, 2023, future annual lease payments under the Company's real estate operating leases were as follows:

Year Ending December 31,	Operating Leases
2024	$ 1,101,900
2025	1,123,399
2026	1,144,898
2027	1,166,397
2028	677,219
Total future lease payments	5,213,814
Less: Imputed interest	(504,418)
Total lease liabilities	$ 4,709,396

Rent expense amounted to $809,813 for the year ended December 31, 2023, $371,948 and $358,338 for the Successor period, June 30, 2022 through December 31, and Predecessor period, January 1, 2022 through June 29, 2022, respectively and $766,908 for the year ended December 31, 2021.

Note 6. Leases (continued)

The following table presents lease assets and liabilities and their classification on the consolidated balance sheet:

	Successor	Successor
Supplemental Balance Sheet Information	**December 31, 2023**	**December 31, 2022**
Assets:		
Operating lease right-of- use assets, noncurrent	$ 4,150,697	$ 4,823,698
Liabilities:		
Current:		
Operating lease liabilities	$ 910,037	$ 831,642
Non-current:		
Operating lease liabilities, net of current portion	$ 3,799,359	$ 4,630,546
Total lease liabilities	$ 4,709,396	$ 5,462,188

The Company recognizes lease expense related to its office space operating lease and amortization of the right-of-use asset within Selling, general and administrative expense. The Company classifies its right-of-use assets within its own financial statement line and lease liabilities within Other current liabilities and Other long-term liabilities, respectively, in its consolidated balance sheet.

Note 7. Note Payable

Long-term debt consists of the following:

	Successor	Successor
	December 31, 2023	**December 31, 2023**
Class A-2 Notes	$ 397,000,000	$ 400,000,000
Class A-1 Notes	60,000,000	-
Less: Current Portion	(4,000,000)	(4,000,000)
Total long-term debt	453,000,000	396,000,000
Less: unamortized debt discount and deferred financing costs	(10,203,933)	(10,064,003)
Total long-term debt, net	$ 442,796,067	$ 385,935,997

Class A-2 Notes

On August 19, 2022 (the "Closing Date"), Goddard Funding LLC, a Delaware limited liability company and indirect subsidiary of the Company (the "Issuer"), completed a securitization transaction pursuant to which it issued $400.0 million in aggregate principal amount of Series 2022-1 6.864% Fixed Rate Senior Secured Notes, Class A-2 (the "Class A-2 Notes"). Goddard Funding LLC received $394.0 million in proceeds from the issuance of the Class A-2 Notes after deducting the original issue discount of $6.0 million and prior to paying any expenses related to the issuance.

In connection with the issuance of the Class A-2 Notes, the Issuer also entered into (i) a revolving financing facility that allows for the issuance of up to $20.0 million in Variable Funding Notes ("Variable Funding Notes"), and certain letters of credit and (2) allows for issuances of advances from time to time in aggregate of $7.0 million of Liquidity Reserve Notes ("Liquidity Reserve Notes"). The Variable Funding Notes were undrawn at closing and as of December 31, 2023 and there were no advances of the Liquidity Reserve Notes.

The net proceeds from the issuance of the Class A-2 Notes were used to repay the SP Goddard Buyer, LLC's outstanding bridge term loan (the "Bridge Loan"), fund certain reserve amounts under the securitized financing facility, and pay the transaction costs associated with the securitized financing facility.

Note 7. Note Payable (continued)

In connection with the issuance of the Class A-2 Notes, Variable Funding Notes, and the Liquidity Reserve Notes, Goddard Funding LLC incurred $5.2 million in lender and third-party fees. Of these fees, $4.5 million and the original issue discount described above related to the Class A-2 Notes and have been recorded as a reduction of long-term debt on the accompanying consolidated balance sheet. The remaining $707,592 of fees related to the Variable Funding Notes and Liquidity Reserve Notes have been recorded as other non-current assets on the accompanying consolidated balance sheet. The debt discount and deferred financing costs attributed to Class A-2 Notes will be amortized to interest expense through the Anticipated Repayment Date, which is defined below, using the effective interest method. The deferred financing costs attributed to the Variable Funding Notes will be amortized to interest expense on a straight-line basis through the Anticipated Repayment Date, which is defined below.

The Class A-2 Notes, Variable Funding Notes, and Liquidity Reserve Notes are referred to collectively as the “Notes.” The Notes were issued in a securitization transaction pursuant to which substantially all of the Company’s revenue-generating assets held by the Issuer and certain other limited-purpose, wholly-owned direct and indirect subsidiaries of Goddard Holding Guarantor LLC (including the Issuer) (collectively, the “Securitization Entities”) that have pledged substantially all of their assets to secure the Notes and, with respect to the Securitization Entities other than the Issuer, act as guarantors of the Notes.

While the Class A-2 Notes are outstanding, payments of principal and interest are required to be made on the Class A-2 Notes on a quarterly basis. The quarterly payments of principal on the Class A-2 Notes may be suspended in the event that the senior leverage ratio for the Company and its subsidiaries, including the securitization entities, is, in each case, less than or equal to 5.00x.

The legal final maturity date of the Class A-2 Notes is in October of 2052, but it is anticipated that, unless earlier prepaid to the extent permitted under the Base Indenture, dated August 19, 2022 (the “Indenture”), the Class A-2 Notes will be repaid in October of 2029 (the “Anticipated Repayment Date”). If the Issuer has not repaid or refinanced the Class A-2 Notes prior to their Anticipated Repayment Date, additional interest will accrue on the Class A-2 Notes equal to the greater of (A) 5.00% per annum and (B) a per annum interest rate equal to the excess, if any, by which the sum of (i) the yield to maturity (adjusted to a quarterly bond equivalent basis) on the Anticipated Repayment Date of the United States Treasury Security having a term closest to ten (10) years plus (ii) 5.00%, plus (iii) 4.0%, exceeds the original interest rate.

Interest on the Variable Funding Notes will be payable at per annum rates based on the adjusted term SOFR (SOFR plus a term SOFR adjustment spread) plus 4.15%, or the Base Rate equal to the sum of (a) 3.15% plus (b) the greater of (i) the Series 2022-1 Prime Rate in effect on such day, (ii) the Federal Funds Rate in effect on such day plus 0.50% and (iii) adjusted term SOFR for a one-month tenor in effect on such day plus 1.00%, or the lenders’ commercial paper funding rate plus 4.15%. There is a commitment fee on the unused portion of the Variable Funding Notes facility, equal to 50 basis points per annum. It is anticipated that the principal and interest on the Variable Funding Notes will be repaid in full on or prior to October 2027, subject to two additional one-year extensions at the option of the Company. Following the anticipated date of repayment (and any extensions thereof), additional interest will accrue on the Variable Funding Notes equal to 5.00% per annum.

Interest on the Liquidity Reserve Notes will be payable at per annum rates based on the prime rate (a rate of interest publicly announce from a commercial bank mutually agreed upon by the Company and administrative agent, base rate, or prime rate) plus 3.0%, compounded monthly. There is a commitment fee on the unused portion of the Liquidity Reserve Notes advances, equal to 50 basis points per annum. It is anticipated that the principal and interest on the Liquidity Reserve Notes will be repaid in full on or prior to October 2029.

The Notes are secured by a security interest in substantially all of the assets of the Securitization Entities. The assets of the Securitization Entities include substantially all of the Company’s revenue-generating assets in the United States, which principally consist of franchise-related agreements, intellectual property and license agreements for the use of intellectual property.

Note 7. Note Payable (continued)

The Notes are subject to a series of financial and non-financial covenants and restrictions customary for transactions of this type, including but not limited to (i) that the Issuer pays principal, premium, and interest of the Notes, (ii) maintain and office or agency, (iii) fully perform all material obligations (iv) maintain existing of each Securitization Entity as an LLC, in good standing, (v) comply with laws, (vi) covenants relating to recordkeeping, access to information and similar matters, (vii) no action that would amend or discharge, or refuse performance obligation under the transaction documents and collateral documents, (viii) non-satisfaction of manager termination event procedures, (ix) potential or actual events of default, rapid amortization event, or manager termination events, (x) notice of material proceedings, (xi) prompt responses to requests from trustees, (xii) maintain liens, (xiii) opinion of counsel confirming perfection of liens, (xiv) material adverse effect on pensions or post-retirement benefit plans, (xv) no mergers, (xvi) no indebtedness not permitted by the Indenture, (xvii) breach of the management agreement, and (xviii) only permitted asset dispositions can occur. The Notes are also subject to customary rapid amortization events provided for in the Indenture, including events tied to failure to maintain a certain stated debt service coverage ratio, the calculated system-wide sales being below certain levels on certain measurement dates, certain manager termination events (including in certain cases a change of control of Goddard Systems, LLC), an event of default and the failure to repay or refinance the Notes on the applicable anticipated repayment date. The Notes are also subject to certain customary events of default, including events relating to non-payment of required interest, principal or other amounts due on or with respect to the Notes, the occurrence of an event of bankruptcy, falling below certain thresholds of the interest-only debt service coverage ratio, failure of Securitization Entities to comply with material provisions of its organization documents, certain bankruptcy events, breach of certain ownership requirements of Securitization Entities, breaches of specified representations and warranties, and certain judgments.

Class A-1 Notes

On October 27, 2023, Goddard Funding LLC, a Delaware limited liability company and indirect subsidiary of the Company (the “Issuer”), completed a securitization transaction pursuant to which it issued $60.0 million in aggregate principal amount of Series 2023-1 Variable Funding Senior Notes, Class A-1 (the “Class A-1 Notes”). Goddard Funding LLC received $58.5 million in proceeds from the issuance of the Class A-1 Notes after paying $1.5 million in expenses related to the issuance.

In connection with the issuance of the Class A-1 Notes, the Issuer also entered into a revolving financing facility that allows for issuances of advances from time to time in aggregate of $1.2 million of Liquidity Reserve Notes (“2023-1 Liquidity Reserve Notes”). As of December 31, 2023, there were no advances of the 2023-1 Liquidity Reserve Notes.

The net proceeds from the issuance of the Class A-1 Notes were used for the purpose of generating cash to recapitalize the Company’s balance sheet and to make a distribution to the shareholders of Goddard Systems, LLC.

In connection with the issuance of the Class A-1 Notes and the 2023-1 Liquidity Reserve Notes, Goddard Funding LLC incurred $1.5 million in lender and third-party fees which have been recorded as notes payable on the accompanying consolidated balance sheet. The deferred financing costs attributed to the 2023-1 Variable Funding Notes will be amortized to interest expense on a straight-line basis through the Anticipated Repayment Date, which is defined below.

The Class A-1 Notes and 2023-1 Liquidity Reserve Notes are referred to collectively as the “2023 Notes.” The 2023 Notes were issued in a securitization transaction pursuant to which substantially all of the Company’s revenue-generating assets held by the Issuer and certain other limited-purpose, wholly-owned direct and indirect subsidiaries of Goddard Holding Guarantor LLC (including the Issuer) (collectively, the “Securitization Entities”) that have pledged substantially all of their assets to secure the 2023 Notes and, with respect to the Securitization Entities other than the Issuer, act as guarantors of the 2023 Notes.

Note 7. Note Payable (continued)

While the Class A-1 Notes are outstanding, payments of interest are required to be made on the Class A-1 Notes on a quarterly basis. The legal final maturity date of the Class A-1 Notes is in October of 2053, but it is anticipated that, unless earlier prepaid to the extent permitted under the Base Indenture, dated October 27, 2023 (the " 2023 Indenture"), the Class A-1 Notes will be repaid in October of 2027 (the "Anticipated Repayment Date"). If the Issuer has not repaid or refinanced the Class A-1 Notes prior to their Renewal Date of October 2027, additional interest will accrue on the Class A-1 Notes equal to a rate of 5.00% per annum in addition to the regular interest that will continue to accrue at the Series 2023-1 Class A-1-VFN Note Rate.

Interest on the Class A-1 Notes will be payable at per annum rates based on the adjusted term SOFR (SOFR plus a term SOFR adjustment spread) plus (i) during Year 1, 3.35%; (ii) during Year 2, 3.85%; and (iii) during Year 3 and thereafter, 4.60%, or the Base Rate equal to the sum of (a) (i) during Year 1, 2.35%; (ii) during Year 2, 2.85%; and (iii) during Year 3 and thereafter, 3.60% plus (b) the greater of (i) the Series 2023-1 Prime Rate in effect on such day, (ii) the Federal Funds Rate in effect on such day plus 0.50% and (iii) adjusted term SOFR for a one-month tenor in effect on such day plus 1.00%. It is anticipated that the principal and interest on the Class A-1 Notes will be repaid in full on or prior to October 2027.

Interest on the 2023-1 Liquidity Reserve Notes will be payable at per annum rates based on the prime rate (a rate of interest publicly announce from a commercial bank mutually agreed upon by the Company and administrative agent, base rate, or prime rate) plus 3.0%, compounded monthly. There is a commitment fee on the unused portion of the 2023-1 Liquidity Reserve Notes advances, equal to 50 basis points per annum. It is anticipated that the principal and interest on the Liquidity Reserve Notes will be repaid in full on or prior to October 2027.

The 2023 Notes are secured by a security interest in substantially all of the assets of the Securitization Entities. The assets of the Securitization Entities include substantially all of the Company's revenue-generating assets in the United States, which principally consist of franchise-related agreements, intellectual property and license agreements for the use of intellectual property.

The 2023 Notes are subject to a series of financial and non-financial covenants and restrictions customary for transactions of this type, including but not limited to (i) that the Issuer pays principal, premium, and interest of the 2023 Notes, (ii) maintain and office or agency, (iii) fully perform all material obligations (iv) maintain existing of each Securitization Entity as an LLC, in good standing, (v) comply with laws, (vi) covenants relating to recordkeeping, access to information and similar matters, (vii) no action that would amend or discharge, or refuse performance obligation under the transaction documents and collateral documents, (viii) non-satisfaction of manager termination event procedures, (ix) potential or actual events of default, rapid amortization event, or manager termination events, (x) notice of material proceedings, (xi) prompt responses to requests from trustees, (xii) maintain liens, (xiii) opinion of counsel confirming perfection of liens, (xiv) material adverse effect on pensions or post-retirement benefit plans, (xv) no mergers, (xvi) no indebtedness not permitted by the Indenture, (xvii) breach of the management agreement, and (xviii) only permitted asset dispositions can occur. The 2023 Notes are also subject to customary rapid amortization events provided for in the Indenture, including events tied to failure to maintain a certain stated debt service coverage ratio, the calculated system-wide sales being below certain levels on certain measurement dates, certain manager termination events (including in certain cases a change of control of Goddard Systems, LLC), an event of default and the failure to repay or refinance the 2023 Notes on the applicable anticipated repayment date. The 2023 Notes are also subject to certain customary events of default, including events relating to non-payment of required interest, principal or other amounts due on or with respect to the 2023 Notes, the occurrence of an event of bankruptcy, falling below certain thresholds of the interest-only debt service coverage ratio, failure of Securitization Entities to comply with material provisions of its organization documents, certain bankruptcy events, breach of certain ownership requirements of Securitization Entities, breaches of specified representations and warranties, and certain judgments.

Note 8. Related Party Transactions

The Successor and Predecessor has engaged TGS Marketing Fund (TGS) in 2023, 2022 and 2021, a company affiliated through common ownership, to administer advertising and promotional programs. Advertising expense relating to such programs amounted to $1.3 million for the year ended December 31, 2023, $366,583, and $357,122 for the Successor period, June 30, 2022 through December 31, 2022, and Predecessor period, January 1, 2022 through June 29, 2022 respectively and $419,560 for the year ended December 31, 2021. The Successor and Predecessor pays and paid certain expenses on behalf of TGS for which it is reimbursed. In addition, TGS also administers advertising and promotional programs on behalf of the Successor's and Predecessor's franchisees. Such costs are incurred directly by the respective franchisees (see Note 1).

Distributions to American Manufacturing Corporation (AMC), the Predecessor's parent company, of $44.7 million and $38.0 million were declared and paid during the Predecessor period from January 1, 2022 through June 29, 2022, and year ended December 31, 2021. No such agreement with AMC was in place for the Successor period from June 30, 2022 through December 31, 2022 and for the year ended December 31, 2023.

The Predecessor had a management services arrangement with Wind River Holdings, LP which provides for a quarterly fee of $750,000 for each of the Predecessor period from January 1, 2022 through June 29, 2022 and year ended 2021. Wind River Holdings, LP provided the Predecessor with business and organizational strategy and financial advisory services. Total management fee expense was $1.5 million and $3.0 million for the Predecessor period from January 1, 2022 through June 29, 2022 and year ended December 31, 2021. No such arrangement is in place for the Successor.

On October 1, 2018, the Predecessor entered into a cash management account agreement with AMC (Cash Manager) and certain affiliates of AMC. This agreement was in place through the Predecessor period, January 1, 2022 through June 29, 2022. No such agreement was in place for the Successor. Per the agreement, the Predecessor was able to maintain a cash balance with the Cash Manager or borrow from the line of credit with the Cash Manager up to the commitment amount, as defined ($1,000,000 for 2021). As of December 31, 2021, the amount included in cash on the consolidated balance sheet was $24.6 million. There were no outstanding borrowings on the line of credit during the Predecessor period and 2021. The Predecessor earned 0.34% interest on cash balances and paid 0.58% interest on line of credit advances. All interest receivable or payable at the end of an interest period, as defined, shall be converted to additional cash or additional borrowings on the line of credit with the Cash Manager. Cash maintained with Cash Manager was not subordinated to any other instrument or otherwise encumbered.

Note 9. Retirement Plan

The Predecessor's employees were eligible to participate in a 401(k) retirement plan (the Predecessor Plan) sponsored by the Predecessor's parent company, AMC, from the period January 1, 2022 through June 29, 2022 and for the year ended December 31, 2021. The Successor's employees are eligible to participate in a 401(k) retirement plan (the Plan) sponsored by the Company for the year ended December 31, 2023 and from the period June 30, 2022 through December 31, 2022. Participants are eligible on the first of the month following a 60-day wait period after the hire date and the attainment of 21 years of age. In 2023, 2022 and 2021, the Plan and the Predecessor Plan provides for a matching contribution of 75% of the employee's contribution, up to a maximum of 6% of a participant's eligible compensation. Eligible employees are vested in the Company contributions and related investment income after a three-year period.

Matching contribution expense, net of forfeitures, amounted to $651,828 for the year ended December 31, 2023, $274,836 and $285,469 for the Successor period, June 30, 2022 through December 31, 2022 and Predecessor period, January 1, 2022 through June 29, 2022, respectively, and $443,475 for the year ended December 31, 2021.

Note 10. Commitments and Contingencies

Litigation: From time to time, the Company is a defendant in various legal matters and other claims arising in the normal course of business. In the opinion of management, the ultimate disposition of such matters (to the extent not provided for by insurance or otherwise) will not have a material effect upon the Company's financial position, results of operations and cash flows.

Note 11. Long Term Incentive Plan and Unit-based Compensation

Long Term Incentive Plan

The Predecessor adopted Long Term Incentive Plans (the LTIP Plan) to provide incentive compensation to key executives. The value under the LTIP Plan was based upon the increase in enterprise value, if any, of the Predecessor from the applicable initial value (grant date) to the valuation date, as defined in the Plan. Any rights issued under the LTIP Plan have a vesting period of three years. The value of the outstanding rights recorded as other current liabilities and other liabilities collectively on the balance sheet as of December 31, 2021, was $1.4 million. Of these LTIP rights, $287.3 thousand was classified as other current liabilities at December 31, 2021. The amount included as part of personnel expense on the statement of income (loss) for the year ended December 31, 2023 and for the Successor period June 30, 2022 through December 31, 2022 was $1.2 million and $2.5 million, respectively. The amounts included as part of personnel expense on the statements of income (loss) for the Predecessor period from January 1, 2022 through June 29, 2022, and year ended December 31, 2021 were $1.3 million and $1.0 million, respectively. During the year ended December 31, 2023 and the Successor period, June 30, 2022 through December 31, 2022, payments made to key executives related to the LTIP Plan were $1.9 million and $0, respectively. During the Predecessor period January 1, 2022 through June 29, 2022 and year ended December 31, 2021, $283.9 thousand and $594.9 thousand was paid to key executives related to the LTIP Plan, respectively.

Unit-Based Compensation

Incentive Units: On June 30, 2022, Goddard Ultimate Holdings L.P. granted awards directly to various employees, board members, and nonemployees of Goddard Systems, LLC pursuant to the Incentive Unit Grant Agreement. The Incentive Units are Class A Units and Class B Units granted under the Incentive Unit Grant Agreement. There were grants of 600,000 Class A Units and 600,000 Class B Units made during the year ended December 31, 2023.

As of December 31, 2023, the Company had 10,000,000 Incentive Units authorized, of which 5,000,000 are designated as Class A Units and 5,000,000 are designated as Class B Units. Of the 10,000,000 authorized units, 4,600,000 Class A Units and 4,600,000 Class B Units (for a combined total of 9,200,000 Incentive Units) were granted as of December 31, 2023. The Incentive Units will vest 20% of the units issued one year after the Commencement Date. The remaining 80% will vest quarterly and equally over a period of four years until the fifth anniversary of the Commencement Date.

The Company assesses the fair value of the time-based Class A Units and Class B Units as of the issuance date and records compensation expense on a straight-line basis over the requisite service period. The fair value of the Company's equity is approved by the Company's Management as of the date unit-based awards are granted. In estimating the fair value of the Incentive Units, the Company uses a third-party valuation specialist and considers methodologies and factors it believes are material to the valuation process, including the guideline public company method and the discounted cash flow method of equity valuation. The Company believes the combination of these methodologies and factors provides an appropriate estimate of the expected fair value of the Company and reflects the best estimate of the fair value of the Company's Incentive Units at each grant date.

Note 11. Long Term Incentive Plan and Unit-based Compensation (continued)

	Successor Year Ended December 31, 2023	Successor Period from June 30 through December 31, 2022
Risk-free interest rate	4.05%	3.01%
Expected volatility	43.9%	39.9%
Expected dividend yield	-	-
Expected term (in years)	4.5 years	5.0 years

The Company recorded unit-based compensation expense related to the Class A and Class B Incentive Units of $2.3 million for the year ended December 31, 2023 and $948.0 thousand for the Successor period, June 30, 2022 through December 31, 2022. There was no unit-based compensation expense during the Predecessor period, January 1, 2022 through June 29, 2022 and for the year ended December 31, 2021.

Presented below is a summary of the activity of the Company's Class A Incentive Units:

	Number of Units	Weighted Average Grant Date Fair Value
Outstanding at June 30, 2022	—	$ —
Granted	4,000,000	1.43
Vested	—	—
Forfeited	—	—
Outstanding at December 31, 2022	4,000,000	$ 1.43
Granted	600,000	1.88
Vested	—	—
Forfeited	—	—
Outstanding at December 31, 2023	4,600,000	$ 1.51

Presented below is a summary of the activity of the Company's Class B Incentive Units:

	Number of Units	Weighted Average Grant Date Fair Value
Outstanding at June 30, 2022	—	$ —
Granted	4,000,000	0.94
Vested	—	—
Forfeited	—	—
Outstanding at December 31, 2022	4,000,000	$ 0.94
Granted	600,000	1.30
Vested	—	—
Forfeited	—	—
Outstanding at December 31, 2023	4,600,000	$ 1.01

Unrecognized compensation expense as of December 31, 2023 related to these incentive units was $8.1 million, which is expected to be recognized over a weighted average period of approximately 3.6 years.

Note 11. Long Term Incentive Plan and Unit-based Compensation (continued)

Acquired Units: On June 30, 2022, Goddard Ultimate Holdings L.P. granted awards, deemed as profits interests, pursuant to the Unit Grant Agreement for Class L Profits Units (i.e., Acquired Units). In connection with the Sycamore Acquisition in 2022, as described in Note 2, 2,056,501 Class L Profits Units were granted pursuant to the Unit Grant Agreement with a fair value of $4.54 per Acquired Unit. Subsequently, 15,646 Acquired Units were repurchased by the Company. The Acquired Units are fully vested immediately as of the date of grant and are deemed as acquisition-related cost in the Successor period, June 30, 2022 through December 31, 2022. The Company recognized $9.3 million of unit-based compensation expense related to the Class L Profits Units of which is included in acquisition-related costs in the consolidated statements of operations for the Successor period, June 30, 2022 through December 31, 2022.

For the year ended December 31, 2023, 78,860 Class L Profits Units were granted pursuant to the Unit Grant Agreement with a stated value of $5.52 per Acquired Unit. The Acquired Units were fully vested immediately as of the date of grant and the Company recognized $435.3 thousand of unit-based compensation expense related to the Class L Profits Units, valued using an option pricing model, as of December 31, 2023.

Note 12. Subsequent Events

The Company's management has evaluated all activity of the Company through April 26, 2024, and concluded that subsequent events are properly reflected in the Company's consolidated financial statements and notes as required by ASC 855, Subsequent Events.

THE FOLLOWING FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THE CONTENT OR FORM.

Goddard Franchisor LLC

Financial Report (Unaudited)
January 31, 2024

Goddard Franchisor, LLC

Balance Sheet
January 31, 2024

		January 31, 2024
Assets		
Current assets:		
Cash	$	**500,000**
Accounts receivable, net		**8,422,853**
Total current assets		**8,922,853**
Other assets:		
Intangible assets, net		**636,524,989**
Goodwill, net		**350,290,520**
Total other assets		**986,815,509**
Total assets	$	**995,738,362**
Liabilities and Members' Equity		
Current liabilities:		
Accrued expense	$	**117,778**
Deposits on franchise contracts		**840,000**
Deferred revenue		**2,295,388**
Other current liabilities		**9,130**
Total current liabilities		**3,262,296**
Long-term liabilities:		
Deposits on franchise contracts		**5,780,000**
Deferred revenue		**16,897,669**
Total long-term liabilities		**22,677,669**
Member's equity		**969,798,397**
Total liabilities and equity	$	**995,738,362**

Goddard Franchisor, LLC

Statements of Operations
Month Ended January 31, 2024

	Month Ended January 31, 2024
Revenues:	
Royalties	$ 8,318,163
Fees on initial franchise contracts	166,444
Transfer fees and other income	164,600
Total revenues	8,649,207
Operating expenses:	
Selling, general and administrative	1,166
Amortization of intangible assets	6,441,540
Management fees	1,374,817
Other operating expense, net	34,075
Total operating expenses	7,851,598
Net income (loss)	$ 797,610

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Goddard Systems, LLC
and Subsidiaries

Consolidated Financial Report (Unaudited)

January 31, 2024

Consolidated Balance Sheet
January 31, 2024

		January 31, 2024
Assets		
Current assets:		
Cash	$	17,292,977
Accounts receivable, net		8,720,323
Due from affiliate		588,137
Prepaid expenses and other		2,500,981
Deferred opening expenses		61,500
Total current assets		29,163,918
Property and equipment, net		1,431,417
Right-of-use asset		4,085,161
Other assets:		
Intangible assets, net		636,524,989
Goodwill, net		350,290,520
Deferred opening expenses		787,689
Deposits and other		1,993,754
Total other assets		989,596,952
Total assets	$	1,024,277,448
Liabilities and Member's Equity		
Current liabilities:		
Accounts payable and accrued expenses	$	14,864,982
Deferred revenue		2,295,388
Deposits on franchise contracts		840,000
Note payable		4,000,000
Other current liabilities		965,467
Total current liabilities		22,965,837
Long-term liabilities:		
Deposits on franchise contracts		5,780,000
Deferred revenue		16,897,669
Note payable		444,295,322
Other long-term liabilities		3,788,882
Total long-term liabilities		470,761,873
Member's equity		530,549,738
Total liabilities and member's equity	$	1,024,277,448

Goddard Systems, LLC and Subsidiaries

Consolidated Statements of Operations
Month Ended January 31, 2024

	Period ended January 31, 2024
Revenues:	
Royalties	$ 8,318,163
Fees on initial franchise contracts	166,444
Transfer fees and other income	164,522
Total revenues	8,649,129
Operating expenses:	
Personnel	2,776,643
Travel expense	183,215
Selling, general and administrative	907,939
Amortization of intangible assets	6,441,540
Other operating expense, net	247,489
Total operating expenses	10,556,826
Income (loss) from operations	(1,907,697)
Other (expense) income:	
Interest (expense) income	(2,720,162)
Net income (loss)	$ (4,627,859)

EXHIBITS B-1 AND B-2

LIST OF FRANCHISEES AND
FORMER FRANCHISEES

EXHIBIT B-1

LIST OF OPERATIONAL GSL FRANCHISEES

OPEN SCHOOL LIST
(as of December 31, 2023)

	City	Franchisee	Business Address	Bus. Tele.
AR	Bentonville	Travis Burkett	3702 SW H Street	479-887-3199
	Conway	Casey & Layne Ball	300 Hogan Lane	501-204-0970
	Fayetteville	Brooks Coatney	3916 N. Bellafont Boulevard	479-262-0970
	Fayetteville	Ellen Hillis	3420 W. Mount Comfort Road	479-334-2800
	Fort Smith	Daniel & Emily Lunney	9040 Massard Rd.	479-901-0160
	Jonesboro	Madison Allison	1770 Mayfield Dr.	870-627-3375
	Little Rock	Carol Marshall	15100 Chenal Parkway	501-367-7200
	Rogers	Spencer Hill	5303 S. Southern Hills Court	479-335-1122
AZ	Buckeye	Nicole Bigham	4320 N. School Hill Road	623-255-3290
	Cave Creek	Jacob Thompson	4060 East Peak View Road	480-437-1000
	Chandler	Todd Goldberg	1815 West Chandler Blvd.	480-821-1234
	Gilbert	Penny Mekhanik	4080 E. Germann Road	480-988-0185
	Gilbert	Jacob & Ashley Thompson	1420 N. Higley Road	480-830-6028
	Gilbert	Karen Latchaw	720 E. Warner Road	480-633-3196
	Goodyear	JoEllen Johnson	13235 W. Thomas Road	623-536-8185
	Scottsdale	Natalia Elfimova	13940 N. Frank Lloyd Wright	480-451-5512
CA	Brentwood	Geetha Venkataganesh	115 Technology Way	925-390-3313
	Carlsbad	Shalini Dhiman	4625 Red Bluff Place	760-730-9450
	Chino Hills	Nan Song	16258 Pomona Rincon Road	909-308-5800
	Folsom	Kaylee Agaman	251 Outcropping Way	916-936-9377
	Ladera Ranch	Timothy Bishop & Christina Muro	1 Aura Lane	949-218-6200
	Lake Forest	Parina Mehta	20455 Alton Parkway	949-393-1220
	Rancho Cordova	William Pu	10710 Bear Hollow Drive	916-861-0906
	Riverside	Mohammad Zafar	18177 Van Buren Boulevard	951-542-2900
	Rocklin	Ashish Naik	2021 Wildcat Boulevard	916-778-6620
	Roseville	Vishal Desai	2081 Oak Meadow Drive	916-945-2203
	San Clemente	Vikram Boyapati	1351 Calle Avanzado	949-519-3500
	San Ramon	Anju Khemani	100 Gatekeeper Road	925-560-9694
CO	Arvada	Naomi Esquibel	14679 W. 87th Parkway	303-423-1869
	Arvada	Daniel Resnick	12720 W. 54th Drive	720-779--3222
	Aurora	Sloan Armstrong	21805 E. Quincy Avenue	303-693-1700
	Aurora	Brooke Wright	23905 E. Arapahoe Road	303-364-8119
	Castle Rock	Shannon Doyle	4340 Woodlands Blvd.	303-660-9992
	Centennial	Shannon Ashamalla	6477 S. Lima Street	303-738-5922
	Colorado Springs	Kunan Amand	8560 Scarborough Drive	719-495-4432
	Commerce City	Divya Goel	15320 E. 103rd Place	303-222-0994
	Denver	Jarrett Armstrong	1400 South Emerson Street	303-722-2336
	Denver	Larry McMurtry	3914 King Street	303-800-0225

	Denver	Elizabeth Meier	1733 Vine Street	303-355-0982
	Denver	Martin Meier	1501 N. Locust Street	720-543-9797
	Denver	Lance Shimomura	4901 N. Wabash Street	720-943-0672
	Englewood	Kirsten Samel	12700 Lynnfield Drive	303-708-1838
	Erie	Shannon Neddeau	3000 Village Vista Drive	303-828-5202
	Fort Collins	Terry Ann Ehrlich	6427 Carmichael Street	970-482-1003
	Highlands Ranch	Sheri Fiori	1101 Sgt. Jon Stiles Drive	303-470-9899
	Lakewood	Shannon O'Hara	12850 W. Alameda Parkway	303-237-4558
	Littleton	Amanda King	8010 Shaffer Parkway	303-932-7499
	Littleton	Erin Davis	6975 S. Broadway	720-779-0085
	Longmont	Rebecca Hall	1095 Olympia Avenue	303-772-3501
	Louisville	Rick Avirett	380 Centennial Parkway	720-739-1938
	Parker	Joe Levisay	11450 South Pine Drive	303-805-1700
	Thornton	PJ Sautter	4203 E. 136th Avenue	303-254-4144
	Westminster	James Hall	4147 Main Street	303-635-1790
	Westminster	Ron & Denise Montoya	14325 Orchard Parkway	303-469-4998
CT	Brookfield	Allison Dell	1 Production Drive	203-740-8136
	Danbury	Kellie Mingachos	39 Old Ridgebury Road	203-628-2000
	Fairfield	Kim Sherman	1280 Stratfield Road	203-496-5500
	Farmington	Kristina Ford & Marissa Pratt	6 Bridgewater Street	860-674-4323
	Glastonbury	Heather Dubian	208 Eastern Boulevard	860-633-8600
	Monroe	Kimberly Brown-Murray	288 Monroe Turnpike	203-544-2110
	Newington	Ron Mavumkal	320 Alumni Road	860-969-1313
	Orange	Kimberly Kick	42 Old Tavern Road	203-795-5575
	Rocky Hill	Harpreet Mann & Seema Sabarad	1155 Elm Street Extension	860-969-0300
	South Windsor	Lauren Smallwood	538 Evergreen Way	860-783-4922
	Stamford	Jennifer Brackett	225 High Ridge Rd	203-355-3969
	Westport	Kristen Bodenstein	20 Saugatuck Avenue	203-557-6400
	Wilton	Deborah Lee	385 Danbury Road	203-408-0865
DC	Washington	Taylor Pope	910 7th Street SW	202-318-1818
DE	Hockessin	Genelle Craig	157 Lantana Drive	302-235-0445
	Newark	Joe Stickel	50 Polly Drummond Hill Rd.	302-454-9454
	Wilmington	Payal Talsania	111 S. West Street	302-651-7995
FL	Jacksonville	Billy Register	14230 Spartina Court	904-821-0085
	Jacksonville	Elizabeth Scott	8985 Annie Eliza Rd	904-648-9900
	Land O'Lakes	Kunal Shah	16718 Balance Cove	813-358-4727
	Lakewood Ranch	Josh White	14534 Arbor Green Trail	941-752-6600
	Lithia	Souji Chalumuri	14106 Spector Road	813-603-1530
	Miramar	Anita Chmelnik	12172 Miramar Parkway	954-443-2480
	Orange Park	Jennifer Wilmoth	415 Meldrum Lane	904-291-9991
	Orlando	Shelina Jiwani	9618 Lake Nona Village Pl.	407-627-1717
	Oviedo	Scott Sheldon	240 S. Central Avenue	407-604-1313
	Parkland	Dhwani Shah	7827 N. University Drive	954-345-5001
	Ponte Vedra Beach	Elizabeth Scott	45 Executive Way	904-373-6600
	Riverview	Shekar Laveti	12964 Boggy Creek Drive	813-812-5423
	Saint Augustine	Sam Palli	4041 County Road 2010 W	904-441-1188

	Saint Johns	Shawn King	100 Julington Plaza Drive	904-230-2002
	Sanford	Priya Abraham	155 S. Henderson Lane	407-544-0400
	Sarasota	Jennifer Kayali	3000 University Plaza	941-499-1900
	Tampa	Lorri Frankel	14607 Brick Place	813-926-9820
	Tampa	Sam Morton & Megan Reeves	13401 Tampa Oaks Blvd.	813-978-8100
	Tampa	Megan Reeves	2401 W. Kennedy Boulevard	813-665-1515
	Wellington	Michele O'Reilly	2665 State Road 7	561-333-2020
	Wesley Chapel	Dinesh Patel	2539 Bruce B. Downs Blvd.	813-603-6100
	Winter Garden	Pam King	2007 Avalon Road	407-777-2791
GA	Alpharetta	Tom Barone	11250 State Bridge Road	770-754-4796
	Alpharetta	Debra Braun	12665 Crabapple Road	678-366-6161
	Alpharetta	Jenna Ellis	4875 Windward Parkway	770-663-4155
	Alpharetta	Krupal Singh	2710 Holcomb Bridge Road	770-993-3307
	Atlanta	Jay Bryan	1150 Hammond Drive	770-350-9001
	Atlanta	Viral Dave	1080 Spring Street	404-541-1936
	Atlanta	Kellen Stennett	3525 Piedmont Road NE	404-467-7577
	Atlanta	Akshi Naik	3467 Pierce Drive NE	678-606-9300
	Austell	Lauren Macdonald	2465 East West Connector SW	770-943-0655
	Buford	Bhoomi Patel	4000 South Bogan Road	770-831-2328
	Canton	Pinki Patel	310 Prominence Point Pkwy.	770-720-3003
	Cumming	Dimple Mahajan	2565 Freedom Parkway	770-887-3460
	Cumming	Jean Croft	5416 Bethelview Road	678-455-5151
	Dacula	Sunshine Palmer	1362 Auburn Road	770-682-8260
	Dallas	Kavitha Erathara	1301 Cedarcrest Road	678-809-8660
	Decatur	Talbert Hill	1902 Clairmont Road	404-480-8220
	Flowery Branch	Gina Diaz	5989 Spout Springs Road	770-967-6737
	Kennesaw	Maitri & Nihit Desai	3190 Blue Springs Road	770-975-7555
	Marietta	Krupal Singh	3584 Providence Road	770-579-1190
	Marietta	Brielle Hooker	3147 Trickum Road NE	770-321-8370
	Marietta	Meenu Narang	3401 Ernest Barrett Pkwy. SW	678-581-9901
	Peachtree City	Heena Patel	264 S. Peachtree Parkway	470-317-3100
	Peachtree Corners	Jarrod Baer	5055 Peachtree Parkway	770-446-7939
	Roswell	Viral Dave	11225 Woodstock Road	770-641-0122
	Sandy Springs	Jay Bryan	6425 Roswell Road	470-571-1700
	Snellville	Nima Desai	1565 Janmar Road	678-344-0042
	Sugar Hill	Ted Ray	210 Peachtree Industrial Blvd.	770-831-2588
	Suwanee	Erika Hill	1460 Satellite Blvd. NW	770-476-1760
	Suwanee	Manpreet Kaur	4410 Johns Creek Parkway	678-475-0701
	Suwanee	Robin Ray	3710 Old Atlanta Road	770-844-6546
	Vinings	Evin Dominguez	2375 Log Cabin Drive	770-432-1231
	Woodstock	Pinki Patel	140 Foster Road	770-720-1311
	Woodstock	Cinnamon Snipes	3115 Parkbrook Circle	770-516-0880
IA	Waukee	Liz Smith	80 NE Carefree Lane	515-297-6555
ID	Meridian	Richard Antl	2009 S. Wells Avenue	208-427-8800
IL	Arlington Heights	Hina Bhimani	1316 N. Arlington Heights Rd	224-857-2800
	Aurora	Akhtar Zaman	949 Waterford Drive	630-898-8411
	Bloomingdale	Amrita Dandona	92 Stratford Drive	630-893-5633

	Buffalo Grove	Nitin Joneja	1050 Barclay Boulevard	847-403-1800
	Carol Stream	Martin Gjini	502 S. Schmale Road	630-614-1212
	Cary	Kimberly Mitchem	801 Georgetown Drive	847-639-1160
	Chicago	Praveen Garlapati	2500 West Bradley Place	773-820-9998
	Chicago	Jason Pullukat	1127 W. Armitage Aveue	773-868-3011
	Chicago	Soumya Terala	2007 S. Indiana Avenue	312-626-5959
	Chicago	Naina & Devinder Singh	776 W. Quincy Street	312-625-8866
	Darien	Michael Petrucelli	8350 Lemont Road	630-985-7117
	Deerfield	Jane Faynshteyn & & Genia Kovelman	475 Lake Cook Road	847-349-4499
	Edwardsville	Jessica Jones	801 South Arbor Vitae	618-692-9464
	Elgin	Sheryl Nelson	2496 Bushwood Drive	847-783-0083
	Hawthorn Woods	Yaroslav Leshchinsky	50 Landover Parkway	847-438-8866
	Lake in the Hills	Kumud Kaushal	4561 Princeton Lane	847-669-6390
	Lockport	Sabina Shah	16523 W. 159th Street	815-415-9100
	Mokena	Neel Saha	11900 Francis Road	708-390-8880
	Naperville	Marinella Ellis	1032 104th Street	630-355-5665
	Naperville	Sharon Tortoriello	1928 Springbrook Square Dr.	630-355-7199
	North Aurora	Ankur & Shreya Patel	301 Miller Drive	630-907-9177
	Plainfield	Jane Faynshteyn & Boris Kholyavsky	24829 W. 135th Street	815-609-5970
	Plainfield	Monica Reasonova	5005 W. Theodore Street	815-254-1679
	Round Lake	John Burnett	1155 S. Amarias Drive	847-201-1880
	Saint Charles	Anisa Ali	200 North Tyler Road	630-513-0100
	Schaumburg	Sue Luisi & Dena Maldonado	1001 E. Woodfield Road	847-413-8777
	Skokie	Andrew & Mary Fratini	9651 Gross Point Road	847-773-0200
	Springfield	Miranda Fiore	3411 Hedley Roadd	217-210-2545
	Third Lake	David & Donna Raye	34638 North Highway 45	847-543-9075
	Vernon Hills	Ellen Ley	461 W. Townline Road	847-680-1886
	Village of Shiloh	Peter Casberg	1160 Fortune Boulevard	618-624-2750
IN	Avon	Robert Cummins	8547 E US Highway 36	317-272-1337
	Brownsburg	Jennifer Busenbark	1065 Patrick Place	317-852-5644
	Carmel	Kathryn Bylinowski	14777 Oak Road	317-569-0599
	Carmel	Megan Greek	160 Medical Drive	317-705-0875
	Carmel	Denise Manders	10445 Commerce Drive	317-415-0408
	Fishers	Anthony Busack	12818 E. 116th Street	317-842-6888
	Fishers	Ray Bylinowski	11437 Fishers Point Blvd.	317-594-4400
	Fort Wayne	Sobia Shakeel	8766 Coldwater Road	260-207-4044
	Granger	Bhavesh Patel	14201 State Road 23	574-314=9499
	Greenwood	Steve Patel	5044 Bancroft Lane	317-884-1850
	Indianapolis	Tana Patel	4560 E. 62nd Street	317-800-7300
	Indianapolis	Jennifer Griffin	7909 McFarland Lane	317-888-4998
	Indianapolis	Rosita Haga	10925 Cork Place	317-826-7522
	Noblesville	Kathryn Bird	15333 Union Chapel Road	317-434-0400
	Westfield	Lauren Budimir	55 E. Spring Mill Pointe Dr.	317-804-4500
	Zionsville	Dea Walls	1640 W. Oak Street	317-733-8855
KS	Olathe	Janice Kennedy & Mandy Ellis	21820 West 115th Terrace	913-768-4499
	Overland Park	Shazia Ali	11060 Oakmont Street	913-451-3088
	Overland Park	Samia Gadit	13551 Pflumm Road	913-764-1331

	Overland Park	Jerri Dawn Pulido	14330 Metcalf Avenue	913-681-1610
	Shawnee	Lisa Heinbach	22885 West 68th Terrace	913-441-0524
KY	Florence	Missy Owens	1501 Cavalry Drive	859-525-0555
	Fort Mitchell	Juliana Kampinga	205 Grandview Drive	859-331-8400
MD	Annapolis	Dipti Singh & Rita Patel	304 Harry S Truman Pkwy	410-881-7400
	Arnold	Neelam & Mina Patel	1 E. Joyce Lane	410-544-0310
	Baltimore	James Wolfarth	1000 S. Highland Avenue	443-842-5300
	Baltimore	Krystle Molite	4960 Mercantile Road	410-933-3833
	Baltimore	Sheeba Mathew	7300 Old Pimlico Road	410-486-2305
	Baltimore	Dave O'Brien	11560 Crossroads Circle	410-600-1014
	Baltimore	James Wolfarth	1111 Key Highway East	410-943-2220
	Bel Air	Brenda Walker	2017 Emmorton Road	410-569-9888
	Bethesda	Michael Pesi	6400 Goldsboro Road	240-630-2400
	Bowie	Nita Armstrong	14200 Annapolis Road	301-262-2510
	Boyds	Toby Noyes	22010 Frederick Road	301-540-1231
	Columbia	Lynn Moratis	10220 Old Columbia Road	410-531-1511
	Edgewater	David Collins	110 East Central Avenue	410-604-4111
	Eldersburg	Alec Yeo	6300 Goddard Park Drive	410-549-8822
	Ellicott City	Sandra Flax	5633 Waterloo Road.	410-730-1500
	Forest Hill	Amber O'Brien	460 Granary Road	410-420-0666
	Frederick	Sheeba Mathew	2080 Yellow Springs Road	301-631-6699
	Gaithersburg	Jim Worley	900 Wind River Lane	301-208-8787
	Gambrills	Manisha Parekh	2409 Queen Mitchell Road	410-721-0000
	Hanover	Dipti Singh	7538 Teague Road	410-684-2601
	Laurel	Bijal Patel	14250 Park Center Drive	240-547-1470
	Marriottsville	Sheeba Mathew	2200 Brighton Run Court	410-442-2122
	Millersville	Dipti Singh	8539 Veterans Highway	410-987-2892
	Mount Airy	Gina Del Gandio	2002 Back Acre Circle	301-829-5323
	New Market	John & Jill Pelicano	10310 Silverside St	301-304-1600
	North Bethesda	Katherine Worley	5420 Edson Lane	301-973-3232
	Olney	Tracy Rana	3421 Morningwood Drive	301-683-9200
	Owings Mills	Tarun Patel	9720 Watts Road	410-902-0889
	Pasadena	Sandra Julian	35 Magothy Beach Road	410-439-9655
	Rockville	Ross Flax	900 Gaither Road	301-330-2300
	Silver Spring	Ashley Harvey	8611 Second Avenue	301-830-4505
	Sparks	Mike & Janelle Glasser	14630 York Road	410-472-2232
	Towson	Chuck Sabia	807 Gleneagles Court	410-372-6670
	Urbana	Jill Pelicano	3825 Carriage Hill Drive	240-699-0006
	Waldorf	Akhil Govil	7005 Saint Florian Drive	301-638-9777
MA	Auburn	Catherine Lamothe	494 Washington Street	508-832-7400
	Bedford	Wendy Libby	52 Middlesex Turnpike	781-275-7880
	Bellingham	Amy Peterson	6 South Maple Street	508-966-4844`
	Braintree	Mindy Zenga	335 West Street	781-356-0616
	Dedham	Kristin McNulty	20 Carematrix Drive	781-452-9900
	Framingham	Tivona Hill	600 Staples Drive	508-834-9455
	Lexington	Yang Shu	332 Concord Avenue	781-430-8333
	Medfield	Tshering Gurung	90 North Meadows Road	508-359-6263
	Middleton	Johann Hunter	244 Maple Street	978-762-7620

	Milton	Guarav Verma	193 Central Avenue	617-690-8448
	Northborough	Dipak Biswas	10 Davis Street	508-393-0805
	Reading	Sarah Blumenstock Girrell	10 Torre Street	781-942-0023
	Saugus	Mark Hunter	248 Lynn Fells Parkway	781-484-0600
	Sudbury	Farzeen Fareed	437 Boston Post Road	978-209-0500
	Watertown	Sunny Verma	26 Chestnut Street	617-402-5220
	Wayland	Reem Hassani & Amal Akrawi	367 Commonwealth Road	508-655-2200
	Wellesley	Shuo Sun	141 Linden Street	781-705-2530
	Westford	Nina Lee	162 Concord Road	978-692-3531
	Weston	Sally Andrea & Firas Akrawi	2 North Avenue	781-296-8790
	Worcester	Sally Xin	287 Grove Street	774-415-0333
MI	Beverly Hills	Matthew Cibor	31655 Southfield Rd.	248-850-1103
	Canton	Carl Pittner	6697 N. Canton Center Rd.	734-454-4737
	Clarkston	Heidi Marini	6440 Citation Drive	248-605-0415
	Grand Rapids	Kellie Olson-Custer	1544 Macnider Road SE	616-954-7550
	Grand Rapids	Lindsey Moore	5820 Bayberry Farms Dr. SW	616-202-2777
	Grand Rapids	Whitney Mooney	2911 Knapp Street NE	616-208-9292
	Lake Orion	Kellie McDonald	935 E. Silverbell Road	248-364-4401
	Macomb	Mary Beth Theiss	53300 Hayes Road	586-786-5862
	Novi	Derick Doe	48600 Grand River Avenue	248-938-0400
	Novi	Kevin & Kristine Kempl	39659 W. 13 Mile Road	248-313-4102
	Oxford	Laura Seiter	55 Gateway Drive	248-628-6268
	Rochester Hills	Sandeep Chada	820 E. Auburn Road	248-710-2100
MN	Albertville	Amita Aggarwal	5301 Labeaux Avenue NE	612-438-2595
	Blaine	Mike Sokol	12612 Central Avenue NE	763-275-9797
	Brooklyn Park	Tina Joens	295 Zane Avenue North	763-424-9555
	Chanhassen	Steve Errington	7805 Great Plains Blvd.	952-934-3221
	Eagan	Kara Berdahl	1552 Quarry Road	651-321-1220
	Edina	Hetal Agrawal	7201 Washington Avenue S.	612-438-2288
	Lakeville	Mary Sue Walker	16189 Elmhurst Lane	952-232-6761
	Medina	Lisa Amic	345 Clydesdale Trail	763-392-5260
	Minnetonka	Nicole Dennis	14900 Hwy 7	952-522-7601
	Plymouth	Lisa Amic	16755 County Road 24	763-557-7020
	Woodbury	Shannon Gehrmann	4136 Radio Drive	651-350-0500
MO	Arnold	Andria Barbieri	3228 Miller Road	636-296-3160
	Chesterfield	Sheila Rinaberger	1633 Kehrs Mill Road	636-519-0808
	Creve Coeur	Julie Bunton	11222 Olive Boulevard	314-677-1414
	Fenton	Samantha Metzler	1157 Smizer Mill Road	636-343-7007
	Lee’s Summit	Summer Borgmann	1000 SW Longview Park Drive	816-600-0700
	Lee’s Summit	Abby Hendren	3301 NE Ralph Powell Road	816-293-9393
	Liberty	Mark Manns	8441 NE Shoal Creek Valley Dr	816-429-1919
	Manchester	Marla Brunk	1108 Sulphur Spring Road	636-686-7277
	Oakville	Cindy Pyatt	6040 Telegraph Road	314-293-1200
	O’Fallon	Corey Renaud	9008 Phoenix Parkway	636-561-8559
	Rock Hill	Jody McManus	906 N. Rock Hill Road	314-918-1210
	Saint Charles	Denise McConachie	1402 Gettysburg Landing Rd.	636-441-9037
	Saint Peters	Allison Farmer	700 Old Salt Lick Road	636-397-0399

	Wentzville	Todd Rutledge	1513 Wentzville Parkway	636-327-5991
NE	Omaha	Keri Larson	17660 Welch Plaza	402-891-4897
NV	Henderson	Jyoti Verma	2680 Pecos Ridge Parkway	702-566-0255
	Las Vegas	Jyoti Verma	212 East Starr Avenue	702-551-2515
	Las Vegas	Ernesto Castro	8840 S. Rainbow Boulevard	702-728-5588
	Reno	Denise Cross	455 Somersett Parkway	775-787-1070
	Reno	Ryan & Michelle Motherway	8650 Technology Way	775-853-0511
	Sparks	John, Jody & Kristin Agaman	751 Los Altos Parkway	775-626-5678
NH	Derry	Samantha Baldini	12 Tsienneto Road	603-432-2210
	Nashua	Samantha Baldini	8 Townsend West	603-594-2800
NJ	Bordentown	Kamran Ali	231 Crosswicks Road	609-291-1800
	Branchburg	Leena Kansagra and Claery Reveron	3322 US Route 22 W	908-231-8600
	Brick	Megan Sweitzer	65 Drum Point Road	732-920-0229
	Burlington	Pallavi Patel	1750 Bustleton Road	609-387-0311
	Cherry Hill	Allan Rosenfeld	2050 Springdale Road	856-751-7234
	Clinton	Sumara Ahmad	1541 Route 31	908-752-4664
	Denville	Tina Iannuzzelli	3175 Route 10	973-328-8588
	Elmwood Park	Olga Dubinsky	301 Riverfront Boulevard	201-468-9841
	Englewood Cliffs	Shephanie Chiang	120 Charlotte Place	201-582-6160
	Ewing	Jessica Fisher	158 Scotch Road	609-883-6800
	Fairfield	Amy Emann-Evanchick	76 Little Falls Road	973-227-5577
	Fanwood	Tracy Brace	324 South Avenue	908-232-5250
	Flanders	Dennis Beltram	244 Route 206 South	973-598-1555
	Flemington	Dhiman Patel	4 Minneakoning Road	908-237-2050
	Florham Park	Sandeep Patel	190 Campus Drive	973-437-5100
	Forked River	Toni Ann Eckerson	214 Lacey Road	609-971-0051
	Freehold	Heidi Salfarlie	230 Schanck Road	732-431-2555
	Hamilton	Fred Maresca	2500 Kuser Road	609-631-9311
	Hamilton	Kim Maldonado	3564 Quakerbridge Road	609-588-0880
	Hazlet	Doug & Julia Vanderbilt	560 Holmdel Road	732-335-4400
	Hillsborough	Susan Hoy	378 South Branch Road	908-371-1499
	Iselin	Noel Wortman	400 Gill Lane	732-283-0090
	Jackson	Rupal Patel-Perez	178 W. Veterans Highway	732-833-8881
	Laurel Springs	Kelly Vicario	1167 Chews Landing Road	856-566-5600
	Livingston	Nicole Harrison	92 S. Livingston Avenue	862-245-7300
	Lyndhurst	Mona Patel	430 Lewandowski St.	201-355-4588
	Manalapan	Joe Spinosi	22 Wilson Avenue	732-446-5155
	Maplewood	Laura Kulkarni	50 Burnett Avenue	973-561-0255
	Marlboro	Paul Cerami	15 School Road East	732-303-7877
	Matawan	Nancy Erath	300 Belchase Court	732-441-3500
	Medford	John Coe	10 Jennings Road	609-714-8686
	Middletown	Lena Picciurro	209 Harmony Road	732-706-5600
	Millburn	Laura Kulkarni	161 Millburn Avenue	973-671-4500
	Montclair	Marianne Romola	2 Seymour Plaza	973-433-5022
	Moorestown	John L. Minar	90 Hartford Road	856-461-2250
	Moorestown	Maureen Peluso	240 W. Route 38	856-235-7006

	Morganville	Bill Fritz	50 Route 520	732-617-8181
	Mount Laurel	Sameen Ali	2026-D Briggs Road	856-727-4222
	Mullica Hill	Karen Dimes	233 North Main Street	856-478-4045
	North Brunswick	Bruce Goodarz	1846 US Route 1	732-951-9200
	Norwood	Anthony Vassalo	15 Brook Street	201-750-2200
	Old Bridge	Danielle Janke	1480 Englishtown Road	732-416-9600
	Paramus	Wendy Kim	332 Forest Avenue	201-470-6245
	Parsippany	Ravi Patil	311 Smith Road	973-386-5550
	Piscataway	Laura O'Donnell	376 S. Randolphville Road	732-981-1133
	Princeton	Bryan Scheff	29 Emmons Drive	609-734-0909
	Ramsey	Bill & Wendy Kim	150 Hilltop Road	201-825-2141
	Randolph	Anne & John Riczko	1570 Sussex Turnpike	973-584-1154
	Sewell	Gerald Peluso	3 Plaza Drive	856-256-8200
	Sicklerville	Mike & Jaclyn Salter	1601 Sicklerville Road	856-401-3111
	Skillman	Sanjay Tuladhar	876 Route 518	609-608-9339
	Somerset	Vanessa Taneja	149 Pierce Street	732-366-1010
	Sparta	James Freda	107 Main Street	973-726-4110
	Spotswood	James Kugit	206 Summerhill Road	732-723-0900
	Stirling	Sumara Ahmad	57 Plainfield Road	908-991-7373
	Swedesboro	Marc Zahirnyi	553 Beckett Road	856-467-8477
	Tinton Falls	Adam Heckendorn	4 Hartford Drive, Suite #6	732-933-4888
	Toms River	Alisa Khaitan	255 Route 70	732-363-5530
	Toms River	Suzanne Hanf & Karyn Smykowski	36 Bey Lea Road	732-240-2121
	Towaco	Maria & Fred Bondoc	2 Jacksonville Road	973-299-9600
	Voorhees	Tracy Sortino	1211 Haddonfield Berlin Rd.	856-346-1234
	Wall	Dave Strumeir	1981 Highway 34	732-974-8314
	Wayne	Kimberley Scott	2086 Hamburg Turnpike	973-839-3980
	West Long Branch	Michele & Jeff Strumeier	316R Monmouth Road	732-571-2244
	West Orange	Nicole Harrison	303 Mt. Pleasant Avenue	973-609-5600
	West Windsor	Stuart Wilensky	1306 Windsor-Edinburg Rd.	609-443-1200
	Westampton	Christine Matthey	881 Woodlane Road	609-267-8400
NY	Hastings-on-Hudson	Jaynne Yu	1 Jackson Avenue	914-478-1390
	New York	Bill Swan	1725 York Avenue	212-860-5306
	New York	Bill Swan	2495 Broadway	212-712-2727
	New York	Bill Swan	2109 Broadway	646-690-3890
	New York	Raminder Singh	751 2nd Avenue	646-809-3555
	New York	Raminder Singh	315 Avenue C Loop	212-462-2524
	North Bellmore	Wendy Somers	1641 Bellmore Road	516-464-1010
	Pittsford	Gary Graziano	131 Sully's Trail	585-381-0160
	Stony Brook	Nirav Shah	211 Hallock Road	631-248-2288
	Wappingers Falls	Ronald Rowland	50 Van Wyck Lane	845-226-4799
NC	Apex	Diane Grakholava	903 Olive Chapel Road	919-362-3999
	Apex	Frank & Lisa Cariello	3701 Green Level West Road	919-258-2000
	Asheville	Mikaela & Hank Cheatham	12 Lake Drive	828-463-3200
	Cary	Lea Gombar	1177 Northwest Maynard Rd.	919-466-0008
	Cary	Geetika Gupta	2385 Kildare Farm Road	919-307-5200
	Chapel Hill	Ashish Tripathi	1162 Martin Luther King Blvd.	919-933-9022
	Charlotte	Amanda Cash	2545 Galloway Road	980-337-4888

	Charlotte	Susan Monbarren	13820 Ballantyne Corp.Place	704-544-1998
	Concord	Amanda Cash	10080 Edison Square Dr. NW	704-947-9011
	Concord	Malvika & Basant Maheshwary	360 Coddle Market Drive NW	704-800-4440
	Cornelius	Brian Jeep	18110 Manhattan Parkway	704-894-0454
	Durham	Mehul Desai	5300 Fayetteville Road	919-544-3311
	Fuquay-Varina	Carla Wahdan & Ada Kay	655 Old Honeycutt Road	919-552-8359
	Holly Springs	Aasheesh & Nandita Upadhyaya	810 Earp Street	919-552-3196
	Huntersville	Tarika Patel	9534 Kincey Avenue	704-489-3893
	Indian Trail	Alpa Patel	1004 Harvest Red Road	704-289-8103
	Matthews	David & Valerie Darmstaedter	9631 Northeast Parkway	704-321-1310
	Mooresville	Gordon & Barbra Bryan	179 Town Square Circle	704-663-5006
	Morrisville	Monica Khurana	4027 Davis Drive	919-467-0467
	Raleigh	Kruti Desai	10550 Little Brier Creek Ln.	919-572-0678
	Raleigh	Hiral Mehta	6600 Creedmoor Road	919-787-5002
	Raleigh	Jon Seier	1215 Ridge Road	919-578-8883
	Raleigh	Ramanpreet Chaddha	6701 Archwood Avenue	984-733-3600
	Wake Forest	Audrey Carver	1308 Heritage Links Drive	919-570-1005
	Waxhaw	Zach Monbarren	1528 Providence Road South	704-243-0120
ND	Fargo	Marshelle Bittner	4665 44th Avenue South	701-492-2959
OH	Akron	Frank Monago & Marty Marinos	105 Springside Drive	330-665-3035
	Avon	Angela Baker & Don Baker	2555 Hale Street	440-934-3300
	Avon Lake	Eric Baker	430 Avon Belden Road	440-961-0328
	Beavercreek	Laura Durant	1423 Grange Hall Road	937-427-2966
	Beachwood	Kristina Turk	3875 S. Green Road	216-545-7888
	Boardman	Rachel Eisenman	7203 Bristlewood Drive	330-965-0599
	Broadview Heights	Kyle Thomas	7655 Town Center Drive	440-740-1234
	Canal Winchester	Eric Park	6405 Canal Street	614-920-9810
	Centerville	Angela Norman	10685 Dayton-Lebanon Pike	937-886-0800
	Chagrin Falls	Kim DiMuzio	16706 Chillicothe Road	440-543-2889
	Cincinnati	Kate Joseph	4430 Red Bank Expressway	513-271-6311
	Cincinnati	Mark Reinhart	1280 Nagel Road	513-474-5292
	Columbus	Kyle Arbaugh	40 Chris Perry Lane	614-501-9224
	Columbus	Samantha Fixari-Elliott	694 Mt. Airyshire Boulevard.	614-848-6410
	Concord Township	Leanne Mastropietro	7645 Fredle Drive	440-350-1333
	Delaware	Sehar Bokhari	505 Preakness Way	740-204-2880
	Dublin	Carrie Park	4980 Parkcenter Avenue	614-792-6586
	Dublin	Seema Patel	6239 Perimeter Drive	614-799-8870
	Gahanna	Ryan Park	5515 Morse Road	614-982-0200
	Grandview Heights	Janie Patterson	1175 Bobcat Avenue	614-398-3222
	Grove City	Kelly VanSyckle	2585 London Groveport Rd.	614-801-2558
	Highland Heights	Elizabeth Slifstein	675 Miner Road	440-684-2774
	Hilliard	Bill Eagle & David Thornsley	6074 Parkmeadow Lane	614-771-8700
	Hudson	Timothy Pierce	5601 Darrow Road	330-653-3766
	Independence	Paula Beverage	5701 Lombardo Center Blvd.	216-525-2000
	Jackson Township	Karen Marinos	7042 Fulton Drive NW	330-966-3793
	Loveland	Craig Sumerel	782 Loveland-Miamiville Rd.	513-697-9663

	Macedonia	Chris Lindley	2073 Alexandria Way	330-468-0488
	Mason	Kerra Spaeth	754 Reading Road	513-398-2777
	Mason	Gabriela Hobbs	3613 Socialville-Foster Rd.	513-573-9132
	Medina	Ivonne Scranton	5138 Normandy Park	330-721-4400
	New Albany	Jeff Campbell	5351 New Albany Road	614-855-4780
	North Ridgeville	Paula Janmey	37693 Center Ridge Road	440-326-0330
	Pickerington	Sarah Comer	12916 Stone Creek Dr., NW	614-866-3494
	Powell	Rebecca Burkholder	419 W. Olentangy Street	614-210-0522
	Powell	Ruth Arbaugh	8542 Owenfield Drive	740-657-1300
	Rocky River	Amar Shah	19336 Detroit Road	440-925-5999
	South Lebanon	Susan Sumerel	59 Vista Ridge Drive	513-494-1228
	Springboro	Leena Rekhi-Salmon	705 Gardner Road	937-748-8911
	Strongsville	Melanie Schantz	13590 Falling Water Road	440-238-4600
	Twinsburg	Jason Baker	2608 Glenwood Drive	330-487-0394
	Uniontown	Rick Beechy	1009 Boettler Road	330-896-8611
	West Chester	Alexandra Nolte	7739 Princeton-Glendale Rd.	513-860-1500
	Westerville	Paul Yontz	4160 Executive Parkway	614-891-2643
	Westerville	Ray Murray	1260 County Line Road	614-865-2100
	Westerville	Steve Powell	8750 Olde Worthington Road	614-882-0111
	Westlake	Kathleen Collins	30502 Center Ridge Road	440-892-2689
	Worthington	Samantha Elliott	6733 North High Street	614-681-3161
OK	Edmond	Julie & Cory Guthrie	6001 East Covel Road	405-330-1313
	Edmond	Misty Terrell	17440 N. Western Avenue	405-348-4442
	Jenks	Tom Young	11302 S. Elm Street	918-299-2676
	Moore	Waco Lane	3100 S. Santa Fe Ave	405-310-9900
	Owasso	Katrina Rogers	14600 East 89th Street North	918-272-1514
OR	Clackamas	Jennie Brawn	14210 SE Sunnyside Road	503-658-8715
	Hillsboro	Joy DeArmas	5530 NE Elam Young Pkwy.	503-693-1888
	Portland	Cindy Smith	4086 NW Saltzman Road	503-617-9040
	Portland	Cholan Muthukumarasamy	5210 SW Corbett Avenue	503-914-2000
PA	Bala Cynwyd	Jodi Straub	124 Bryn Mawr Avenue	
	Bethlehem	Dolly Kalsi	4500 Falmer Drive	610-694-9100
	Blue Bell	Patricia Bergbauer	450 Dekalb Pike	610-292-9060
	Breinigsville	Jill Woosnam	8230 Hamilton Boulevard	484-408-0010
	Carlisle	Mamta Gupta	1538 Commerce Ave	717-966-1600
	Center Valley	Alyson Parlo	3790 West Drive	610-890-3100
	Chadds Ford	Stephanie Grimaldi	2 Hillman Drive	610-358-0380
	Chalfont	Staci Sklar	102 Stewart Lane	215-997-2750
	Chester Springs	Patti Travitz	50 Seaboldt Way	610-458-1501
	Collegeville	Adrienne & Tim Clark	500 Springhouse Drive	610-232-7939
	Cranberry Twp.	Dina Speranza	8065 Rowan Road	724-778-9999
	Doylestown	Aileen Connolly	100 Farm Lane	215-345-4121
	Doylestown	Lisa Heckmann	240 Swamp Road	215-230-9905
	Easton	Jyotsna Prajapati	1775 Sullivan Trail	610-253-0400
	Enola	Jordan Pritchard	4955 Woodland Drive	717-728-3070
	Exton	Melissa Capodanno	300 Carlisle Court	610-363-6698
	Gilbertsville	Sal Boccella	2912 N. Charlotte Street	610-367-1996
	Hampton	Alyssa Stofko	2306 Wildwood Road	412-219-9130

	Harrisburg	Stacey Warner	4397 Sturbridge Drive	717-526-0404
	Horsham	Mike Thompson	420-B Dresher Road	215-328-9868
	Hummelstown	Heather Eckels	1035 Middletown Road	717-566-2273
	Huntingdon Valley	Colleen Zahirnyi	1820 County Line Road	215-942-4332
	Jamison	Lisa Franckowiak	1600 Meyer Way	215-491-2100
	King of Prussia	Susan McGarrity	489 South Gulph Road	610-337-1900
	Malvern	Scott Rosan	250 Lancaster Avenue	610-647-2836
	Mechanicsburg	Nancy Goss	5049 Ritter Road	717-766-7680
	Montgomeryville	Ellen Jakubowski	520 Stump Road	215-393-5996
	Moon Township	Carol Maier	800 Commerce Avenue	412-262-1821
	Morgantown	Bonnie Karwat	2201 Valley Road	610-286-3300
	Murrysville	T. J. Kravits	400 Blue Spruce Way	724-271-8000
	Newtown	Wendy Somers	119 Pheasant Road	215-579-8844
	Newtown Square	Kavita Ghai	3810 West Chester Pike	484-424-5333
	Norristown	Laura Gavaghan	704 W. Germantown Pike	610-630-6383
	North Huntingdon	Carol Maier	1050 Mills Drive	724-276-6767
	Philadelphia	Jillian Staffiera	2201 Pine Street	215-774-8877
	Philadelphia	Leena Patel	2100 Spring Garden Street	267-857-7111
	Pittsburgh	Shanna Litchko	301 Fifth Avenue	412-515-1997
	Plymouth Meeting	Scott & Kayte Rosan	3025 Walton Road	610-616-3409
	Quakertown	Jason Froshour	138 Mill Road	215-529-0408
	Royersford	Bryant Lubbs	197 Royersford Road	610-948-1208
	Sanatoga	Edward Shaw	2074 East High Street	610-970-3336
	Schwenksville	Gretchen Seward	300 Seitz Road	610-287-7100
	Skippack	Brendan Kent	1246 Bridge Road	610-222-9002
	Spring House	Michael & Megan Thompson	820 N. Bethlehem Pike	215-358-4077
	State College	Falguni Patel	1545 Westerly Parkway	814-237-1160
	Upper St. Clair	Lori Santo	655 Painters Run Road	412-564-3600
	Venetia	Bob Santo	825 East McMurry Road	724-941-6464
	Wayne	Anne Roytman	95 Crestline Road	610-688-5229
	West Chester	Colin Maier	630 Sugarsbridge Road	610-431-1330
	West Chester	Tallal Malik	703 West Nields Street	610-918-4660
	West Chester	Jennifer & Michelle Zapata	1050 Andrew Drive	610-430-8682
	Wexford	Tyler Santo	3000 Brooktree Road	724-935-1100
	Wyomissing	Tricia McKay	25 Commerce Drive	610-478-8757
	York	Leena Patel & Kristina Allison	88 Theater Lane	717-840-2522
RI	South Kingstown	Clay Johnson	20 Preservation Way	401-789-0300
SC	Fort Mill	Cole & Caroline Smith	868 Gold Hill Road	803-802-2112
	Fort Mill	Bill & Amy Strickland	1930 Haire Road	803-802-2228
	Greenville	James Hyatt	533 Woodruff Rd	864-448-0004
	Indian Land	Dhwani Patel	8345 Collins Road	803-393-9800
	Lake Wylie	Freddie Geiger & Katrenia Hasty	4750 Charlotte Highway	803-752-4400
	Mount Pleasant	Andrew Smith	1151 Muhlenbergia Drive	843-931-9900
	Rock Hill	Penny Sturgill	415 Clouds Way	803-328-0101
	Simpsonville	Melanie Hyatt	8 Five Forks Plaza Court	864-254-0708
TN	Chattanooga	Parul Patel	17 W. Bell Avenue	423-382-2525
	Collierville	Ashleigh Crosby	509 East Winchester Blvd.	901-861-0108

	Cordova	LaShundrea Partee	190 N. Forest Hill Irene Road	901-708-3338
	Farragut	Theresa MacDonald	125 Loudoun Road	865-966-0663
	Franklin	Mark Drinko	98 Moss Lane	615-538-2410
	Franklin	Sue Spissu	1101 Moher Boulevard	615-595-2525
	Gallatin	Del McSpadden	1059 Kennesaw Boulevard	615-561-1515
	Hendersonville	Leisa Byars	108 Cinema Drive	615-822-9300
	Knoxville	Theresa MacDonald	10720 Virginia Pine Way	865-531-9599
	Mount Juliet	Jim Farmer	455 Pleasant Grove Road	615-544-5900
	Murfreesboro	Cynthia Murphy	1720 Gateway Blvd	615-900-5510
TX	Allen	Amanda Snowman	1695 E. Exchange Parkway	972-529-9007
	Allen	Leticia Gomar	950 Stockton Drive	972-908-9696
	Argyle	Susie Patton	7851 Cleveland Gibbs Road	940-489-8585
	Aubrey	Zahra Virani	691 FM 1385	972645-0990
	Austin	Isa Alvarez	2111 Frate Barker Road	512-280-1713
	Austin	Jennifer Burton	5145 North FM 620, Bldg. H	512-910-8456
	Austin	Raul Alvarez	12101 Archeleta Boulevard	512-746-8700
	Austin	David Rastelli	9313 Pearson Ranch Road	512-828-3434
	Cedar Park	Butch & Maria Aggen	1905 El Salido Parkway	512-258-5292
	Corinth	Elizabeth Aune	3531 Corinth Parkway	940-278-2020
	Cypress	Husna Mohammed	14602 Spring Cypress Road	281-320-1885
	Cypress	Sarah Prause	19406 Cypress N. Houston Rd.	281-758-3888
	Cypress	Sarah Prause	21722 Tuckerton Road	281-671-8200
	Flower Mound	Sohela Ali	4051 Cross Timbers Road	972-717-2310
	Forney	Umer Usman	4080 Abbey Road	972-430-8885
	Fort Worth	Jennifer Cauthern	8600 Currency Drive	817-918-9930
	Friendswood	Kam & Nershana Hasmukh	1650 Friendswood Lake Blvd.	281-992-2400
	Frisco	Kristina Stone	3336 Main Street	214-872-3600
	Frisco	Chevelle Johnson & Jamie Thompson	4915 Coit Road	945-348-8705
	Fulshear	Dawn Stubbs	5511 Lake Hill Farm Way	832-743-0002
	Georgetown	Pinak Gohel	2064 Kauffman Loop	512-713-0909
	Georgetown	Swati Kapdi	3740 Williams Drive	512-668-1111
	Haslet	C J Walia	1257 Avondale Haslet Road	817-678-8200
	Honey Creek	Tommy Chamakala	582 Geneva Street	830-420-6700
	Houston	Robert Chow	1720 Crescent Plaza Drive	281-596-0300
	Houston	Jiena Gu	9739 Wortham Boulevard	281-949-8827
	Houston	Maha & Sarah Sultan	3655 Barker Cypress Road	281-819-6750
	Houston	Christi Barrett	777 West 23rd Street	832-930-7553
	Houston	Jessica Rice	4025 Richmond Avenue	713-804-6550
	Humble	Josh Morrison	17823 W. Lake Houston Pkwy.	832-995-2200
	Justin	Amrit Alluwalia & CJ Walia	1220 Highway 114 Rd	940-240-2660
	Katy	Ashish Gupta	5220 Ranch Point Drive	281-392-1200
	Katy	Asli Remlinger	24025 Cinco Village Ctr. Blvd.	281-392-1912
	Katy	Shibani Gupta	27528 Westridge Creek Lane	281-392-1133
	Katy	Jawad Rawra	23133 Morton Ranch Road	346-322-1800
	Keller	Azeema Khan	8801 Ray White Road	817-428-1093
	Lakeway	Raul Alvarez	801 Medical Parkway	512-643-1222
	League City	Ratna Kaneria	2320 E. League City Parkway	281-338-0508
	Leander	Alissa Harritt & Carol Lynch	1730 Union Street	512-528-1918
	Lewisville	Priya Punugoti	625 FM 2281	469-850-1212

	Magnolia	Sharmeen Shah	9307 FM 1488	281-845-2400
	McKinney	Tanny Rahman	3952 S. Ridge Road	469-952-3300
	McKinney	Robbin Wells	1801 Ridge Road	214-892-2222
	New Braunfels	Erin Anderson	7300 Steiger Trail	469-215-2121
	Pearland	Sheetal Patel	2920 Province Village Dr.	832-856-8686
	Pearland	Eduardo Rodriguez Weil	2151 Kingsley Drive	713-413-0600
	Pflugerville	Ashok Vemuri	1040 E. Wells Branch Pkwy.	512-670-5034
	Prosper	Aasia Ali	1180 La Cima Boulevard	972-472-1177
	Prosper	Justin Makil	380 W. Frontier Parkway	469-454-2700
	Richmond	Tamkeen Shroff	21024 W. Bellfort Street	281-232-7980
	Rockwall	Tanya & Jason Glenn	710 E. Ralph Hall Parkway	469-314-2300
	Round Rock	Ryan Rastelli	4076 Gattis School Road	512-251-6116
	San Antonio	Candace Greene	10907 Biering Road	210-686-4545
	Sienna Plantation	Manpreet Patidar	6111 Sienna Ranch Road	281-778-8200
	Southlake	Jennifer Bonhard	435 W. Southlake Boulevard	817-488-4754
	Spring	Sami Abouassaad	8727 Eastloch Drive	281-251-4507
	Spring	Robert Chow	27084 Birnham Woods Dr.	832-791-3990
	Spring	Terry Sun	3429 FM 2920	281-825-5456
	Sugar Land	Anil Nisar	6500 East River Park Drive	281-972-7788
	Sugar Land	Kathy Li	9722 U.S. Highway 90A	281-491-0313
	Tomball	Ricky Armenta	8522 Princeton Place Drive	281-516-2111
	Wylie	Mahjabeen Khan	1520 Park Boulevard	972-521-1533
VA	Alexandria	Taruna Jain	1703 N. Beauregard Street	703-988-6769
	Ashburn	Madhu Govil	45091 Research Place	703-724-0601
	Ashland	Eric & Susan Glymph	9431 Atlee Commerce Blvd.	804-550-0092
	Chantilly	Brad May	43655 Tall Cedars Parkway	703-542-8474
	Chantilly	Risa May	5001 Westone Plaza	703-378-4088
	Chesapeake	Katie Cornatzer	300 Cedar Lane	757-547-2700
	Chester	Stephen Graham	13036 Rivers Bend Blvd.	804-530-0096
	Chesterfield	Deborah & Jim Womack	10211 Krause Road	804-717-8400
	Fairfax	Sanjeev & Roshani Patel	11150 Fairfax Boulevard	571-544-3100
	Falls Church	Davis & Kasey Chau	2921 Telestar Ct.	571-899-3440
	Fredericksburg	Gary Lucy	10060 Southpoint Parkway	540-684-3790
	Gainesville	Lisa O'Brien	7801 Heritage Village Plaza	571-222-5576
	Glen Allen	Kendall Trebour	11393 Nuckols Road	804-270-0901
	Henrico	Vanessa Vozza	12400 Three Chopt Road	804-360-8282
	Herndon	Abha Parekh	2400 Dulles Town Boulevard	703-653-0337
	Lake Ridge	Nazlin Alidina	12405 Cape Cod Court	703-490-8553
	Leesburg	Anupama Sharma	601 Tavistock Drive SE	703-443-6766
	Manassas	Rebecca Chen	10405 Dumfries Road	703-420-7333
	Mechanicsville	Danielle Crowley	7503 Old Hickory Drive	804-746-2922
	Midlothian	Tiffany Benkert	6543 Woodlake Village Cir.	804-739-8081
	Midlothian	Sarah Wheeler	2361 Robius Station Circle	804-897-1917
	Midlothian	Christina Nolte	130 Walton Park Lane	804-594-3525
	Richmond	Kendra Hudson	50 Nova Way	804-905-9255
	Stafford	Wendy Brinson	301 Highpointe Boulevard	540-288-1515
	Vienna	Laura Dinder	8618 Westwood Center Drive	571-732-0200
	Virginia Beach	Tracy Rana	2189 McComas Way	757-563-2500
	Virginia Beach	Anne Pope	2572 Virginia Beach Blvd.	757-631-2062
	Williamsburg	Janie Lisagor	4280 Casey Boulevard	757-220-1740

	Woodbridge	Al-Karim Alidina	5490 Staples Mill Plaza	703-583-1966
	Yorktown	Bob Norman	409 Hampton Highway	757-867-7078
WA	Bellevue	Kamal Desilva	14404 NE 20th St., #250	425-644-3870
	Bothell	Anuj Mittal	11810 North Creek Pkwy. N, Suite 100	425-659-1888
	Federal Way	Srishti Mittal	33310 1st Way South	253-237-9025
	Issaquah	Catherine Callan	5716 E. Lake Sammamish Pkwy. SE	425-391-5233
	Kent	Chelsey Milton	24116 132nd Avenue SE	253-215-8800
	Kirkland	Shweta Bahadur	8525 120th Avenue NE	425-979-5494
	Monroe	Haresh Khatwani	14961 Chain Lake Road	360-215-8899
	Redmond	Kalis Sathappan	4200 228th Avenue NE	425-882-1100
	Redmond	Shauna Barison	10611 Redmond Ridge Dr. NE	425-868-8333
	Renton	Ramneek Kooner	4110 NE 4th St.	425-539-0655
	Salmon Creek	Paul Frederick	13201 NE 27th Avenue	360-573-2466
	Snohomish	Lissa Knox & Erin Goulet	13119 Seattle Hill Road	425-379-9300
	Snoqualmie	Shwetambra Bahadur	34510 SE 96th Street	425-381-4185
	Vancouver	Hillary McKinstry & Emily Johnson	3111 SE 192nd Street	360-253-2988
WI	Brookfield	Fatima Hassan	3355 Intertech Drive	262-281-1400
	Kenosha	Sarah Hall & Lisa Loveless	7420 91st Avenue	262-694-0816
	Sun Prairie	Katie Neuman	2550 Jenny Wren Trail	608-707-1234
	Verona	Mawara Sohail	102 Prairie Oaks Drive	608-571-5980

EXHIBIT B-1

FRANCHISE AGREEMENT SIGNED BUT SCHOOL NOT YET OPEN*
(as of December 31, 2023)

City, State		Unit	Franchisee	Business Address	Bus. Tele.
AR	Springdale	1108	Kimberly Circle	193 Fantinel Drive	479-487-2155
CA	Tustin	1096	Preeti Patel	1629 Victory Road	714-439-9450
CT	Shelton	1128	Kimberly Murray	801 Bridgeport Ave	203-263-1234
FL	Orlando	1061	Rookminie Sobhraj	S. Avalon Park Blvd & Waterford Chase Blvd.	TBD
	Ponte Vedra	1134	Elizabeth Scott	55 Colonnade Drive	904-709-4740
	Viera	1129	Elizabeth Scott	8557 Bower Lane	321-448-2750
MD	Frederick	1112	John Pelicano	3381 Sunset Ridge Dr.	301-246-6300
	Linthicum	1120	Kenneth & Sandra Julian	505 Progress Dr., Ste. 106	410-220-5235
MI	Macomb	1106	Mary Ginzinger	15380 Wellington Center Blvd.	586-265-2025
MN	Lake Elmo	1105	Shannon Gehrmann	100 Julia Avenue N	TBD
NJ	Jersey City	1081	Laura Kulkarni & Maria Cordero	425 Washington Blvd.	551-353-1055
NV	Las Vegas	1064	Lindsay Tom	7588 Grand Teton Drive	702-899-5220
SC	Summerville	1104	William Strickland	110 Connectivity Lane	843-585-0110
SC	Greenville	1062	Bill Hyatt	533 Woodruff Road	864-448-0004
TN	Brentwood	1117	Brian Hairston & Leisa Byars	110 Winners Circle	629-257-5655
	Nashville	1121	Leisa Byars	10th Avenue & Church Street	629-257-8550
TX	Kyle	926	Shahan Bhaidani	100 Flower Mound Rd	TBD
	Oak Point	1127	Tyler Wilson	FM 720 & McCormick Road	945-348-9025
	Princeton	1113	Ahmed Khan	300 N. Princeton Meadow Blvd.	469-581-0540
VA	Alexandria	1102	Akhil Govil	1245 N. Fayette Street	703-239-7600
	Arlington		James Worley	5328 Lee Highway	TBD
WA	Lynnwood	1101	Maanu Muthu	18802 55th Avenue W.	425-510-7055
	Ridgefield	1140	Tiffany Pate	S. 48th Place	TBD
WI	Middleton	1141	Farhan Ahmad	102 Veritas Drive	608-247-5755

*This listing does not include applicants who had only signed a Preliminary Agreement and who were not franchisees.

EXHIBIT B-2

FRANCHISEES WHO HAVE CEASED BUSINESS OR HAD A FRANCHISE TERMINATED/CANCELLED/NOT RENEWED DURING THE YEAR* (as of December 31, 2023)

Below is a list of the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who has had a franchise terminated, cancelled, not renewed or who has otherwise voluntarily or involuntarily ceased to do business pursuant to the Franchise Agreement during our last fiscal year or who has not communicated with us within 10 weeks of the issue date of this Disclosure Document or the application date in a registration state, if later. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

City, State	Franchisee	Telephone
TRANSFERRED:		
GA		
Alpharetta	Thomas & Deborah Barone	770-778-2585
Roswell	Vicar & Aziza Ali	770-597-4708
IL		
Hinsdale	Tim & Dona Lawler [2]	630-263-7108
Hinsdale	Moira Lawler [2]	
Springfield	Taylor Polster & Jonathan Vall[3]	618-401-7660
KS		
Leawood	Sreeveena Dontharuju & Rajsekhar Chelluri	913-707-1361
MA		
Fiskdale	Matt & Sheri Flandreau	508-450-4775
MI		
Oakland Twp.	Peter & Michelle Stuhlreyer	248-420-3306
MO		
Saint Lewis	Barbara Burrows[1,3]	314-598-6796
NC		
Raleigh	Malay & Vineeta Jindal	919-815-8135
NJ		
Baskin Ridge	Alfredo & Maria Bondoc [1]	973-277-6366
Brielle	Cheryl Beisel	732-277-0277
Freehold	Wayne & Diane Daley	732-431-4789
Howell	Teresa Cerami	732-245-8418
NY		
Hopewell Junction	Bhavesh & Rupal Patel [4]	732-309-8529

Lake Geneva	Frank & Karen Gentile [2]	
Poughkeepsie	Kajal & Vishal Patel [4]	
OH		
Auburn Township	Jeffrey & Nancy Lutz	440-591-0641
Cincinnati	James & Laura Haid	513-237-3999
PA		
Bala Cynwyd	Richard & Wendy Cohen	610-304-8806
TX		
Frisco	Daryl & Kimberly Newman	469-486-0550
WA		
Bothell	Ramanathan Supramanian & Anuradha Murugappan	425-486-5610
Sammamish	Julio & Maria Ibarra	425-381-4185

NOT RENEWED:

VA	
Arlington	Daniel Shebib [5]
Vienna	Adam Shebib & Angela Schexnaider [5]

CLOSED

None.

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[1] Current Franchisees under a separate Franchise Agreement
[2] All Franchisees for the same Illinois School
[3] All Franchisees for the same Illinois School
[4] All Franchisees for the same New York School
[5] All Franchisees for the same Virginia School

*This listing does not include applicants who had only signed a Preliminary Agreement and who were not franchisees.

EXHIBIT C-1

PRELIMINARY AGREEMENT

GODDARD FRANCHISOR LLC
PRELIMINARY AGREEMENT

THIS PRELIMINARY AGREEMENT (this "*Preliminary Agreement*") is made and entered into on ____________________, ____ by and between Goddard Franchisor LLC, a Delaware limited liability company with its principal offices at 1016 West Ninth Avenue, King of Prussia, Pennsylvania 19406 and the undersigned applicant(s).

BACKGROUND

A. Goddard Franchisor LLC will be referred to in this Preliminary Agreement as "*we*" or "*us*" and the applicant(s) will be referred to as "*you.*"

B. We own and license a system (the "*System*") relating to the establishment, development and operation of preschools known as The Goddard School ("*Schools*" or "*School*").

C. We own and license the use of the trademark and service mark "*The Goddard School*" and any other trade names, trademarks, and service marks as are now designated (and may hereafter be designated) as part of the System (the "*Proprietary Marks*").

D. You have applied to us for a franchise to operate a School utilizing the System and the Proprietary Marks within the following designated area (the "*Designated Area*"):

E. We have approved your application in reliance on the representations made in your application.

F. **WE AND YOU HAVE AGREED TO WAIVE PUNITIVE OR EXEMPLARY OR CONSEQUENTIAL DAMAGES AS PROVIDED IN SECTION 10G. WE AND YOU HAVE ALSO AGREED TO WAIVE ANY RIGHT TO TRIAL BY JURY, AS PROVIDED IN SECTION 10H.**

AGREEMENT

The parties, in consideration of the above and the undertakings and commitments of each party to the other party set forth in this Preliminary Agreement, hereby mutually agree as follows:

1. **SITE SELECTION**.

You must honor our then current policies and procedures related to site selection, including but not limited to, site registration. You must not interfere with any pending site selection and/or negotiation of a site undertaken by us, our affiliate, or a franchisee or franchise prospect of ours. You must use your best efforts and diligently seek and select a proposed location within the Designated Area acceptable to us as suitable for the operation of a School. You shall submit to us in the form we specify a description of the location and any other information or materials as we may reasonably require. We shall not unreasonably withhold approval of a site that meets our standards for general location and neighborhood, traffic patterns, size, layout and other physical characteristics, rental, lease terms including duration, and general conditions for use as a School. We may pre-approve locations in the Designated Area and limit your choice of site to one of these pre-approved locations. If we determine in our sole business judgment that, at any time, you are not using best efforts and diligently seeking a location or that you are unable or unwilling to proceed with the development of a location for any reason, or if we or our affiliate identifies and approves one or more locations within the Designated Area and you reject these locations, we may elect not to continue with you and may terminate this Preliminary Agreement pursuant to Section 5B of this Preliminary Agreement upon written notice to you.

Our approval of a site does not constitute, and may not be deemed, a judgment as to the likelihood of success of a School at such location or a judgment as to the relative desirability of such location in comparison to other locations within or outside of the Designated Area. The Designated Area does not constitute an exclusive territory. We do not grant exclusive territories. You understand that we may accept other applications or enter into other Franchise Agreements for Schools within the Designated Area.

You acknowledge that the success of the business venture contemplated in this Preliminary Agreement involves substantial risks and depends on (among other things) your ability as an independent businessperson, your full-time participation in the daily affairs of the business venture and your implementation of the System. We make no representations, assurances or warranties as to the potential success of the venture.

2. **REQUIREMENTS FOR THE SCHOOL AND ASSISTANCE FROM US**.

A. We agree to expend the time and effort and to incur expenses as may reasonably be required to inspect sites submitted by you and in assisting you to secure the lease or purchase of a location approved by us. We require your participation and attendance in all phases of the real estate process. You shall submit the lease or sale agreement, before you sign it, to us for approval, which shall not be unreasonably withheld. The term of the lease must be at least the full term of the Franchise Agreement, fifteen (15) years (which may include option terms), and coterminous with the effective and expiration dates of the Franchise Agreement. The lease must include the following provisions:

1. the premises shall be used only as The Goddard School;
2. no part of the premises may be assigned or subleased except as part of a sale of the School approved by us;
3. we shall have the right to enter the premises to inspect and make any modifications we deem necessary to protect the Proprietary Marks;
4. we shall have the right to receive an assignment of the lease on termination of the Franchise Agreement; and
5. you shall not make any changes to the School building or premises without our consent.

B. If you lease your School premises, you shall sign a collateral assignment of lease, in a form we require, to secure your obligations to us under the terms of the Franchise Agreement. In addition, if you lease your School premises, the individuals or entity on the lease must be the same as the individuals or entity that is the franchisee under the Franchise Agreement (following any transfer of the Franchise Agreement to an entity for convenience of ownership as provided in Section 12D of the Franchise Agreement).

C. If you or a business entity affiliated with you purchases the site, in addition to items 1, 2 and 3 of Section 2A above, you or the affiliated entity shall sign our Option to Lease Agreement and Right of First Refusal, which gives us the option to lease the premises on termination of the Franchise Agreement (as defined below) and a right of first refusal if you sell the property during the term of the Franchise Agreement. If you or a business entity affiliated with you purchases the School premises, any entity that owns the School premises must be a separate entity from the entity that is the franchisee under the Franchise Agreement (following any transfer of the Franchise Agreement to an entity for convenience of ownership as provided in Section 12D of the Franchise Agreement), and you must submit to us for our prior review a lease between you or the franchisee entity and the affiliated entity that owns the property.

D. Before beginning any construction or renovation at your School, you shall obtain our approval on all construction plans, site plans, blueprints and other relevant information. We will provide prototypes of building plans and you will need to hire an architect and engineer. We, in our sole business judgment, may require you to engage and pay third party design/build professionals we designate or if we do not designate design/build professionals you must use, we, in our sole business judgment, may require you to engage and pay a third party construction manager we designate or approve for construction management services in connection with the development and construction of the School. The services of a qualified, licensed architect and engineer, who we have approved or designated for use by our franchisees, will be required to adapt our prototype building plans and specifications for the remodeling or finish-out of the School. We may from time to time develop or approve variations with respect to our prototype locations and plans although we have no obligation to do so. If the current prototype building plans have never been used in the state in which your School will be located, or your School will be located in a retro-fit building, you may have to pay additional fees to the architect and engineer to bring the prototype into compliance with state-specific requirements. We may condition our approval on your obtaining certain insurance coverage before beginning construction, engagement of a construction manager or on other terms. Once construction or renovation has begun, you shall obtain our prior approval on all change orders and material modifications to the approved plans. If you enter into a contract with a third party design/build professional, developer or contractor for the construction of the School, the contract shall contain a substantial completion date, and you shall submit a copy of the contract for our files. You agree to adhere to and comply with our site selection, site development and construction processes including securing the adherence to these processes by your developer and/or contractor(s).

3. **FRANCHISE AGREEMENT; TRAINING; UPDATES; BACKGROUND CHECKS; NON-COMPETITION**.

A. After signing this Preliminary Agreement and after locating and securing a site approved by us by lease or purchase or at a time we designate, you shall sign and return our Franchise Agreement (the "*Franchise Agreement*") The Franchise Agreement you shall sign will be our then-current form of Franchise Agreement, except that the terms of Section 4A relating to initial and other fees shall remain the same as those set forth in the Franchise Agreement in effect as of the date that you sign this Preliminary Agreement.

B. Before the opening of the School, the individual who will conduct the day-to-day management and operation of The Goddard School (the "designated on-site operator") shall attend and complete to our satisfaction all requirements related to our initial training program, delivered through a blend of online coursework, virtual, live sessions and in person training at our corporate offices or at another training site we select and via virtual and/or in-person one-on-one or small group training, described in Section 6D of the Franchise Agreement. We may require the designated on-site operator to have at least a 10% ownership interest in the franchise business. The designated on-site operator must devote full time, energy and efforts to the management and operation of the School. You may not change the designated on-site operator without our prior written approval.

C. You shall immediately notify us of any material change in the information in your franchise application since the date of the application, including changes in financial condition, bankruptcy history and criminal history, death or incapacity of any individual that signed this Preliminary Agreement, and any change in your marital status, home address, home telephone number, home email address, business address, business telephone number, business email address, cell phone number, the name of the landlord of the School building, or to request to change the designated on-site operator. If there is a material change in your financial condition, in addition to notifying us of the change, you shall provide updated personal financial statements. You shall also provide us with updated personal financial statements, supporting materials and any other documentation we require within 30 days of any request by us. If you are a married individual, both you and your spouse must sign this Preliminary Agreement, the Franchise Agreement and related agreements as individuals. If there is change in your marital status, you and any new spouse agree to a background check (including credit and criminal) on the new spouse at your cost as provided in Section 4B of this Preliminary Agreement. Subject to the results of the background check, a new spouse shall become a party to this Preliminary Agreement and you and the new spouse shall promptly sign and return any documents we request to accomplish that result. We shall consider any request to remove a former spouse from this Preliminary Agreement, but we may decline to do so in our business judgment.

D. You confirm your authorization for any background check (including credit and criminal) that we and our agents have conducted on you, and further authorize us and our agents to conduct additional background checks (including credit and criminal) that we deem necessary or desirable in our business judgment. You must pay us a fee for the background checks. You shall promptly provide us with authorization forms required by our agents and any other documentation we require following any request by us. You agree that any background check authorization documents you provide to us or our agents shall remain in effect during the term of this Preliminary Agreement and the term of any Franchise Agreement to the extent allowed by applicable law.

E. You represent to us that, except as you have disclosed to us in writing and we have approved in writing in advance, there are no purchase or call options on the ownership interests of any individual applicant regarding the School except upon the death or permanent disability of the individual and that no oral or written agreement among the applicants, articles of incorporation, bylaws, certificate of formation, operating or limited liability company agreement or other organizational documents of any entity to which you may assign the Franchise Agreement for convenience of ownership as provided in Section 12D of the Franchise Agreement or any other oral or written agreement authorizes one or more applicants to remove another applicant from ownership or participation in the School business.

F. You covenant that during the term of this Preliminary Agreement, except as otherwise approved in writing by us, you shall not directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, association, corporation, limited liability company or other entity:

(1) Divert or attempt to divert any prospective business or customer of the School to any competitor, by direct or indirect inducement or otherwise.

(2) Own, maintain, engage in, be employed by, lease real estate to, consult with or assist in any way, finance, or have any interest in any other child daycare or preschool learning center or business (other than a Goddard School for which you are a franchisee under an effective Franchise Agreement with us).

G. You covenant that for a period of two years after the expiration, transfer or termination of this Preliminary Agreement, if you do not ultimately enter into the Franchise Agreement, regardless of the cause of termination, you shall not either directly or indirectly, for yourself or through, on behalf of, or in conjunction with any other person, persons, partnership, association, corporation, limited liability company or other entity:

(1) Divert or attempt to divert any prospective business or customer of your proposed School to any competitor, by direct or indirect inducement or otherwise.

(2) Own, maintain, engage in, be employed by, lease real estate to, consult with or assist in any way, finance, or have any interest in any child daycare or preschool learning center or business (other than a Goddard School for which you are a franchisee under an effective Franchise

Agreement with us) at any proposed location for your School or within a radius of 10 miles of any proposed location for your School or any existing or proposed Goddard School.

H. We shall have the right, in our sole business judgment, to reduce the scope of any covenant set forth in Sections 3F and 3G of this Preliminary Agreement, or any portion thereof, without your consent, effective immediately upon your receipt of written notice of that fact, and you agree to comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 9 of this Preliminary Agreement. If any court or other tribunal having jurisdiction to determine the validity or enforceability of Sections 3F and 3G of this Preliminary Agreement determines that they would be invalid or unenforceable as written, then the provisions of Sections 3F and 3G of this Preliminary Agreement shall be deemed to be modified to the extent or in the manner as necessary for those provisions to be valid and enforceable to the greatest extent possible. Sections 3F and 3G of this Preliminary Agreement shall not prohibit your operation of another franchise which we grant to you or your ownership of less than a 5% beneficial interest of the outstanding equity securities of any publicly held entity.

I. You will use best and continuing efforts during the term of this Preliminary Agreement, including during the construction and pre-opening phases, to promote and develop the business of the School. In consideration of the substantial value to you to use the System and to receive disclosure of the System, including the Proprietary Marks, the Manual and the Confidential Information, and in recognition of our ownership rights to the System, in addition to the other restrictions in this Preliminary Agreement and under applicable law, you covenant that during the term of this Preliminary Agreement and at any time after the expiration, transfer or termination of this Preliminary Agreement, regardless of the cause of any termination, you shall not do or perform any act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

4. **DEPOSIT; BACKGROUND CHECK FEE; AND PAYMENT**.

A. Upon your signing of this Preliminary Agreement, you will deposit with us the sum of $30,000 to be applied against the initial license fee due under the Franchise Agreement. The balance of the initial license fee is payable upon your receipt of a statement from us at approximately the same time as the issuance of the Certificate of Occupancy, Temporary Certificate of Occupancy, or a Use and Occupancy Certificate for your School. The deposit paid under this Section 4A is not refundable except we may elect to refund all or a portion of the initial deposit in our sole business judgment if we terminate this Preliminary Agreement, subject to the conditions in Section 5B of this Preliminary Agreement.

B. You must also pay us a background check fee in the amount of $1,500 per person upon your signing of this Preliminary Agreement. If we require additional background checks (including credit and criminal) during the term of this Preliminary Agreement, you shall pay us an additional background check fee on demand. We will not refund any portion of the background check fee.

C. You will be responsible for any sales tax, use tax, gross receipts tax, excise tax or other similar tax (collectively "Sales Tax") imposed by law on all payments you make to us or our affiliates under this Preliminary Agreement, under the Franchise Agreement, or otherwise, in connection with your School, whether assessed on you or on us or our affiliate. We and our affiliates may collect some of the Sales Tax from you for transmittal to the taxing authority on your behalf. You will reimburse us and our affiliates for any Sales Tax we or our affiliate pay directly to any taxing authority in connection with your School. You are responsible for any Sales Taxes that we do not collect and/or remit on your behalf.

5. **TERM; TERMINATION OF PRELIMINARY AGREEMENT**.

A. The term of this Preliminary Agreement shall run for three years from the date we sign this Agreement (the "Expiration Date"). If you do not locate and secure a site approved by us by lease or purchase and sign and return our Franchise Agreement or otherwise sign and return our Franchise Agreement at a time we designate before the Expiration Date, this Preliminary Agreement will automatically expire unless during the term of this Preliminary Agreement you have diligently pursued a site to develop the School and you request an extension in writing at least 30 days before the Expiration Date and we grant your request in writing for an amount of time, not to exceed one year, in our sole business judgment. During the term of this Preliminary Agreement, we may set construction and/or other development milestones in our sole business judgment that you must satisfy. We may consider any failure to achieve or to demonstrate your commercial best efforts to achieve any development milestones we may set as a factor in any decision not to grant an extension of time or to terminate this Preliminary Agreement at any time.

B. We may, in our sole business judgment, terminate the Preliminary Agreement by written notice for any reason with or without cause at any time effective immediately. If you give us notice of termination of this Preliminary Agreement or we give you notice of termination for any reason, you must sign a termination agreement in a form satisfactory to us, including a general release. The deposit paid under Section 4A is not refundable, except if we terminate this Preliminary Agreement, we may elect to refund all or a portion of the initial deposit in our sole business judgment, without interest, if you met your obligations under the Preliminary Agreement including closely adhering to our processes for site development, and you deliver a signed termination agreement in a form satisfactory to us, containing a general release in our favor, and we shall have no other liability to you. If you purchase the assets of an existing Goddard School franchise and do not wish to proceed under this Preliminary Agreement, we may, within our sole business judgment, apply the initial deposit towards fees you owe to us in connection with the transfer, provided you meet all of our requirements, including making all payments in connection with the purchase of the assets of the existing franchisee.

6. **ASSIGNABILITY**.

A. We have the right to assign or otherwise transfer all or any part of our rights, interests or obligations under this Preliminary Agreement to any person or legal entity.

B. This Preliminary Agreement is personal to you and may not be assigned or transferred by operation of law or otherwise to any person or entity.

7. **CONFIDENTIALITY**.

A. Except in the operation of an authorized School pursuant to a Franchise Agreement, you shall not, during or after the term of this Preliminary Agreement, communicate, divulge or use for your benefit or for any other person or entity any of our trade secrets or other confidential or proprietary information or compilations, any material in which we claim copyright protection, knowledge and know-how concerning the construction or operation of a School, including but not limited to site or building plans, drawings or specifications and our Confidential Operating Manual, which you learn or obtain as a result of entering into and performing your obligations pursuant to this Preliminary Agreement, including during site development and attendance at training programs or franchisee conferences. You shall at all times treat all copies of materials reflecting our trade secrets or other confidential or proprietary information, and the information contained in those materials as confidential, and you shall use all reasonable efforts to maintain the information as secret and confidential. At our request, you will return to us all copies of materials reflecting our trade secrets or other confidential or proprietary information. This obligation shall survive the termination of this Preliminary Agreement and will not be released under Section 5D of this Preliminary Agreement.

B. You will promptly notify us of any unauthorized use or misappropriation of materials reflecting our trade secrets or other confidential or proprietary information, and the information contained in those materials. You will also cooperate in the prosecution or defense of any action related to these materials and our trade secrets or other confidential or proprietary information, and will render any assistance we think is reasonably required to assist in this prosecution or defense. If you are compelled by a court or other body of competent jurisdiction to disclose any of these materials or our trade secrets or other confidential or proprietary information, you will inform us promptly by written notice and will provide reasonable assistance in obtaining and enforcing a protective order or other appropriate means of safeguarding the information required to be disclosed. You may then disclose only so much of these materials or information as is legally required to be disclosed. You further agree to notify us promptly of any litigation instituted by any person or legal entity against you involving these materials or information. If we, in our sole business judgment, undertake the defense or prosecution of any litigation relating to the use of these materials or information, you agree to sign any and all documents, and to render any assistance as may, in the opinion of our lawyers, be reasonably necessary to carry out the defense or prosecution.

C. You agree to protect all user IDs, passwords, or other login and user authentication credentials, issued by us, as Confidential Information. You agree not to share these credentials with anyone who does not have a business need to know and use this information. You also agree to immediately report to us if you discover or suspect that login credentials may have been compromised by unauthorized persons.

8. **NOTICES**.

Any notices required or permitted under this Preliminary Agreement shall be in writing and shall be personally delivered or mailed by registered or certified mail, return receipt requested, or sent by overnight courier or email to the respective parties at the address shown on the last page of this Preliminary Agreement unless a different address has been designated in writing by the other party. Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing. Notices by personal delivery, overnight courier or email shall be effective upon the earlier of the date of delivery of such notice, or the date after the same was sent. In addition, we may elect to provide any information we are required to or desire to communicate to you solely through our website(s) and/or intranets or other electronic means, including email, without any need to provide you with a paper copy or other physical format. You shall provide us with your current home address and email address at all times.

9. **ENTIRE AGREEMENT; BACKGROUND SECTION**.

A. This Preliminary Agreement and any attachments constitute the complete and integrated agreement between you and us concerning the subject matter of this Preliminary Agreement and supersede all previous agreements; no other representations have induced you to sign this Preliminary Agreement except that you may rely on our representations in the most recent Franchise Disclosure Document (the "FDD") we delivered to you, including its exhibits and any amendments, in connection with this Preliminary Agreement. No representations, promises or agreements, oral or otherwise, not embodied in or attached to this Preliminary Agreement or in the FDD were made by any party and none shall have any effect with reference to this Preliminary Agreement or otherwise. No change in this Preliminary Agreement shall be binding on either party unless mutually agreed to in writing.

B. The BACKGROUND Section at the beginning of this Preliminary Agreement contains contractual terms that are not mere recitals.

10. **ENFORCEMENT**.

A. This Preliminary Agreement takes effect when accepted and signed by us in Pennsylvania. This Preliminary Agreement shall be construed under the laws of the Commonwealth of Pennsylvania and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the Commonwealth of Pennsylvania, which law shall prevail if there is a conflict of law.

If we move our corporate headquarters, we shall have the option of determining that the substantive law of the state to which we move will replace all references to Pennsylvania law in this Preliminary Agreement or of continuing to have Pennsylvania law apply. If we choose to have the law of the new state apply, we will so notify all franchisees and franchise applicants within six months of our move, and the chosen law will apply to all franchisees and franchise applicants thereafter; except that any franchise registration or disclosure law or any franchise relationship law of the new state will only apply where the jurisdictional requirements of the law are otherwise met.

B. You acknowledge that you have and will continue to develop a substantial and continuing relationship with us at our offices in the Commonwealth of Pennsylvania, where our decision-making authority is vested and franchise operations are conducted and supervised. Except for our right to obtain injunctive relief in any appropriate forum, any action arising out of or relating to this Preliminary Agreement shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in the Commonwealth of Pennsylvania for the district or county in which our headquarters are then located. You irrevocably submit to the jurisdiction of these courts, waive any objection you may have to either the jurisdiction or venue of these courts and agree not to argue that any of these courts is an inconvenient forum. If we move our corporate headquarters, you acknowledge that you will have a substantial and continuing relationship with us in the state to which we move and that any references to Pennsylvania in this paragraph will be deemed to be references to the new state.

C. No right or remedy under this Preliminary Agreement shall be deemed to be exclusive of any other right or remedy under this Preliminary Agreement or of any right or remedy provided by law and/or equity. Each right and remedy shall be cumulative.

D. Nothing in this Preliminary Agreement shall prevent us from obtaining injunctive relief in any appropriate forum against actual or threatened conduct that will cause us loss or damages, under the usual equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions.

E. **YOU MAY SEEK DAMAGES OR ANY REMEDY UNDER LAW OR EQUITY ONLY AGAINST OUR BUSINESS ENTITY. OUR AFFILIATES AND OUR/THEIR RESPECTIVE OFFICERS, DIRECTORS, MANAGERS, MEMBERS, LIMITED PARTNERS, GENERAL PARTNERS, SHAREHOLDERS, INDEPENDENT CONTRACTORS AND EMPLOYEES WILL NOT BE LIABLE AND MAY NOT BE NAMED AS A PARTY AND SHALL NOT BE LIABLE IN ANY PROCEEDING COMMENCED BY YOU IF YOUR CLAIM ARISES OUT OF OR RELATES TO THIS PRELIMINARY AGREEMENT.**

F. In any action to enforce or defend our rights under this Preliminary Agreement, we shall be entitled to recover, in addition to any other recovery, attorneys' fees, court costs and litigation expenses.

G. **A COURT MAY AWARD INJUNCTIVE RELIEF AS WELL AS DAMAGES, BUT WILL HAVE NO AUTHORITY TO AWARD PUNITIVE OR EXEMPLARY OR CONSEQUENTIAL DAMAGES.**

H. **WE AND YOU, RESPECTIVELY, WAIVE ANY RIGHT WE OR YOU MIGHT HAVE TO TRIAL BY JURY ON ANY AND ALL CLAIMS ASSERTED**

AGAINST THE OTHER. WE AND YOU, RESPECTIVELY, EACH ACKNOWLEDGE THAT WE AND YOU, RESPECTIVELY, HAVE HAD A FULL OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL CONCERNING THIS WAIVER, AND THAT THIS WAIVER IS INFORMED, VOLUNTARY, INTENTIONAL AND NOT THE RESULT OF UNEQUAL BARGAINING POWER.

I. **YOU AGREE TO LITIGATE EACH DISPUTE WITH US ON AN INDIVIDUAL BASIS. YOU WILL NOT CONSOLIDATE ANY DISPUTE WITH A CLAIM OF ANY OTHER APPLICANT, FRANCHISEE, INDIVIDUAL, OR ENTITY, AND YOU WILL NOT PURSUE ANY CLASS CLAIMS IN ANY MEDIATION, ARBITRATION, OR LITIGATION FORUM THAT ARISE OUT OF OR RELATE TO THIS PRELIMINARY AGREEMENT.**

11. **ANTI-TERRORISM LAW COMPLIANCE**.

You represent to us that you are not, and shall not at any time be named, either directly or by an alias or nickname, on the list of Specially Designated Nationals or Blocked Persons, which includes the names of suspected terrorists, as designated by the United States Department of the Treasury's Office of Foreign Assets Control. You acknowledge that we intend to comply, and you must comply, with all prohibitions against corrupt business practices, money laundering and support of terrorist activities, including those contained in the United States Patriot Act, Executive Order 13224, and related United States Treasury regulations and any similar law ("***Anti-Terrorism Law***"). You will immediately notify us of any misrepresentation or breach of this Section. We may terminate this Preliminary Agreement without any opportunity for you to cure upon any misrepresentation or breach by you of this Section.

12. **INDEPENDENT CONTRACTOR AND INDEMNIFICATION**.

A. This Preliminary Agreement does not create a fiduciary relationship between us. You shall conduct your activities under this Preliminary Agreement as an independent contractor, and nothing in this Preliminary Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose, and you covenant not to assert otherwise in any forum. Although you must comply with this Preliminary Agreement and the System, you will have full and complete control of the manner in which you comply and full and complete control of the day-to-day operation of your business policies and practices. The parties acknowledge and agree that the creation of the above described relationship and the parties' respective ability to perform and to be legally recognized as such during the term of this Preliminary Agreement is part of the essence and a principal purpose of this Preliminary Agreement.

B. You shall conspicuously identify yourself in all dealings with prospective parents, employees, contractors, suppliers, public officials and others of the public or private sphere, as an independent contractor and shall place such other notices of independent ownership on such forms, stationery, advertising, marketing and other materials as we or any of our affiliates may require from time to time. All contracts, checks, paychecks or other payment notices for your operations and services will be in your legal name. You will not enter into or sign any contracts, checks, paychecks or other payment notices in our or any of our affiliates' names or using the Proprietary Marks or any acronyms or variations of the Proprietary Marks. You will disclose in all dealings with prospective parents, employees, contractors, suppliers, public officials and others of the public or private sphere that you are an independent entity and that neither we nor our affiliates have any liability for your debts.

C. Nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our or our affiliates' behalf, or incur any debt or other obligation in our or our affiliates' names, and neither we nor our affiliates shall in any event assume liability for, or be deemed liable as a result of any act or omission by you in your conduct of your business or any claim or judgment against us or any of our affiliates. You shall indemnify and hold us and our affiliates and our and our affiliates' respective officers, directors, managers, members, partners, shareholders, independent contractors and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with your activities under this Preliminary Agreement, as well as all costs, including attorneys' fees, of defending against them. We or our affiliates shall have the right to control all litigation against us or any other indemnified party or involving the Proprietary Marks, and to defend and/or settle any such claim affecting our or our affiliates' interests, in any manner we or they deem appropriate. Without affecting your duty to defend and indemnify us and our affiliates as set forth above, we or our affiliates may also elect to retain our or their own counsel at your cost to represent us or other indemnified parties. Our or our affiliates' exercise of control over the litigation shall not affect our or our affiliates' rights to indemnification under this Section 12C. Your obligations under this section shall survive the expiration, termination or transfer of this Preliminary Agreement.

13. **DELEGATION**.

You understand and acknowledge that we may delegate the performance of any or all of our obligations under this Preliminary Agreement, and the right to exercise any of our rights under this Preliminary Agreement, to an affiliate, manager, agent, independent contractor, or other third party designee. However, we will remain responsible for ensuring that such obligations are performed in accordance with the terms of this Preliminary Agreement.

YOU ACKNOWLEDGE THAT YOU WOULD NOT SIGN THIS PRELIMINARY AGREEMENT IF YOU DID NOT AGREE TO BE BOUND BY ITS TERMS.

14. **NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES**.

The following provision applies only to franchisees and franchises that are subject to state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgment signed or agreed to by you 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 us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.

Intending to be legally bound, the parties have signed this Preliminary Agreement as of the date first above written.

APPLICANT:

____
Name:
Address:
Email:_______________________

____
Name:
Address:
Email:_______________________

____
Name:
Address:
Email:_______________________

____
Name:
Address:
Email:_______________________

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107
notices@goddardsystems.com

By:___________________________________

Title:______________________________

EXHIBIT C-2

FRANCHISE AGREEMENT

ATTACHING

C-2(a) DRAFT AUTHORIZATION

GODDARD FRANCHISOR LLC
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT
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GODDARD FRANCHISOR LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this *"Agreement"*), made, entered into, and effective on _____________________, _____, is between Goddard Franchisor LLC, a Delaware limited liability company, with its principal place of business at 1016 West Ninth Avenue, King of Prussia, Pennsylvania 19406-3107 and the undersigned franchisee(s).

BACKGROUND

A. Goddard Franchisor LLC is referred to in this Agreement as "*we*" or "*us*." The undersigned franchisee(s) is referred to as "*you*."

B. We, our affiliates, and our predecessors have expended substantial resources to develop a system (the *"System"*) for the establishment, development and operation of preschools (*"Goddard Schools"* or *"Goddard School"*) for children, now known as The Goddard School®. The System includes our Confidential Operating Manual (the "*Manual*"), other proprietary information and compilations, proprietary marks, trade dress, design, décor, image, lay-out, know-how, trade secrets, procedures, standards, specifications, equipment, market analysis, procurement of students, sales and merchandising methods, quality assurance standards, training of franchisees and Goddard School personnel, marketing techniques, record keeping and business management which may be changed, improved and further developed by us from time to time.

C. We grant franchises to qualified individuals to use the System, including our service mark, "***The Goddard School®***" and other identifying marks and symbols that we use now or may later use as part of the System (the *"Proprietary Marks"*). We intend to further develop and use the Proprietary Marks to identify our services and our standards of quality and service to the public.

D. You have applied for a franchise to operate a Goddard School using the System and Proprietary Marks and to receive the training, confidential information and other assistance we provide.

E. We have approved your application for a franchise in reliance on all of the representations you made in your application. By signing this Agreement, you acknowledge the importance of our quality and service standards and agree to operate the Goddard School in accordance with those standards and as described in the System. You also acknowledge that adhering to the terms of this Agreement and implementing the System as we direct are essential to the operation of the Goddard School, to the System and to all our franchisees.

F. **WE AND YOU HAVE AGREED TO WAIVE PUNITIVE OR EXEMPLARY OR CONSEQUENTIAL DAMAGES AS PROVIDED IN SECTION 23G. WE AND YOU HAVE ALSO AGREED TO WAIVE ANY RIGHT TO TRIAL BY JURY, AS PROVIDED IN SECTION 23H. YOU HAVE AGREED TO WAIVE ANY RIGHT TO PURSUE ANY CLASS CLAIMS, AS PROVIDED IN SECTION 23I.**

AGREEMENT

The parties, in consideration of the undertakings and commitments of each party to the other party set forth in this Agreement, hereby mutually agree as follows:

1. **APPOINTMENT**.

A. We hereby grant to you, upon the terms and conditions of this Agreement, the right and franchise to operate one Goddard School, and to use solely in connection therewith the System, as it may be changed, improved and further developed from time to time and the Proprietary Marks, at the following location (the "*School*"):

____

____

____

You accept this grant and agree to use your best efforts to develop and fully exploit the business potential of the School utilizing the System and the Proprietary Marks. In this Agreement, except where distinctions are specifically noted or the context may require, references to the "School" include the School you develop at the location stated above (or any location to which the School may be relocated in accordance with this Agreement), and if applicable, together with any approved Annex or Satellite Location (as defined in Section 1D) that you develop in accordance with this Agreement associated with the School you develop at the location stated above (or any location to which the School may be relocated) (sometimes referred to as the "associated School" with regard to an Annex or Satellite Location). You may not relocate the School except with our prior written consent.

B. Provided you are in compliance with this Agreement, we will not during the term of this Agreement establish, or license any other franchisee to establish, more than one Goddard School under the System for each 10,000 households in the county in which the School is located. Any Annex and any Satellite Location that we may authorize to operate in association with any Goddard School pursuant to our guidelines that we set in the Manual or otherwise in writing will not count as a separate Goddard School for the purpose of determining the number of Goddard Schools in the county, but together with its associated Goddard School, will count as one Goddard School.

C. Except as specifically stated in Section 1B above, you acknowledge and agree that this franchise is nonexclusive and that we and/or our affiliates, subsidiaries, or other franchisees or licensees may compete with you for customers within and outside of the county described above. We and our affiliates retain the rights, among others, without granting any rights to you, to sell and license others to sell services and products authorized to be offered by Goddard Schools or businesses operated under any other names and trademarks, directly or indirectly, at retail or wholesale, through similar or dissimilar channels of distribution, on terms we consider appropriate, regardless of their proximity to the School or whether they compete with you. The alternative channels of distribution for services include, for example, sales of services in separate areas or concession departments set aside for the School within other retail establishments or business, co-branding relationships, catalog business or via the Internet and any similar outlets or distribution methods we determine. We do not grant you any rights to distribute products or services through alternate channels of distribution, and you will have no right to share, nor should you expect to share, in any of the proceeds we and/or our affiliates or franchisees or licensees or any other party receives in connection with the alternate channels of distribution. For purposes of this Agreement, an "affiliate" of a person means, with regard to a business entity, an entity that is controlled by that business entity or is under common control with that business entity.

D. We may allow you to operate an annex to the associated School with our prior written approval, ("Annex") which we may grant or withhold in our sole business judgment, whether attached or free-standing, in connection with the original construction or later as an expansion of the associated School, and subject to the terms of this Agreement. An Annex to the associated School must meet our then current criteria for the proximity of an Annex to the associated School as provided in the Manual or otherwise in writing. At the date of this Agreement, an Annex must be on the same parcel as a suburban Goddard School or on the same block as a metropolitan Goddard School and we must approve all programming for the Annex in advance in writing. We may allow you to operate a satellite location with our prior written approval, which we may grant or withhold in our sole business judgment ("Satellite Location"), and subject to the terms of this Agreement. The School may have only one associated Satellite Location or one associated Annex unless we grant written approval in our sole business judgment. A Satellite Location must meet our then current criteria for the proximity of the Satellite Location to the associated School as provided in the Manual or otherwise in writing. At the date of this Agreement, a Satellite Location will not be located on the same parcel as a suburban Goddard School or on the same block as a metropolitan Goddard School, but it must be within a certain distance we specify from the associated School. A Satellite Location must also have a limitation on programming restricting it from serving all age ranges typically served by a Goddard School except with our specific written approval which we are not obligated to provide. There are no size limitations on the Satellite Location. Any approved Annex and any approved Satellite Location developed under this Agreement will be governed under this Agreement and not under separate franchise agreements. Approval of any Annex or Satellite Location will be evidenced in an amendment to this Agreement designating the location of the Annex or Satellite Location (respectively, the "Annex Amendment" or the "Satellite Location Amendment"). We may instead of allowing you to add an Annex or Satellite Location by amendment to this Agreement, in our sole business judgment, require that you update this form of our Franchise Agreement and enter into our then-current form of the Franchise Agreement (or the then-current form of the Franchise Agreement (Renewal) for the remaining term of this Agreement, together with the applicable Annex Amendment or Satellite Location Amendment. If the location of the Annex or Satellite Location is not identified at the time we and you enter into the Annex Amendment or the Satellite Location Amendment, the location will be selected and approved under the terms of this Agreement and the applicable Annex Amendment or Satellite Location Amendment and then designated by an amendment to the applicable Annex Amendment or Satellite Location Amendment. You may not relocate any Annex or Satellite Location except with our prior written consent.

2. **TERM AND RENEWAL**.

A. The term of this Agreement and franchise shall run for 15 years from the date we sign this Agreement or from the date on which the School is granted a full and final Certificate of Occupancy from the applicable governmental authority, whichever is later. We may prepare a certificate confirming the date of issuance of the full and final Certificate of Occupancy and the expiration date of this Agreement. Provided the certificate we prepare is reasonably satisfactory to you as to form and content, you will execute and return the certificate within 10 days after request. If you fail to execute and return the certificate, you will be conclusively deemed to have agreed that the information in the certificate is accurate and you will have thereby waived any right to object to the accuracy of the information unless you deliver to us, during the 10 day period, written notice objecting to the information and describing in detail your reasons for so objecting. We and you may provide in the Annex Amendment or the Satellite Location Amendment that the term of operation of any Annex or Satellite Location may be for less than the full remaining term of this Agreement as long as you operate the associated School at all times during the full term of this Agreement. If we and you agree to limit the term of operation of any approved Annex or Satellite Location, you will enter into a lease or other occupancy agreement for the Annex or Satellite Location for the reduced term. Your right to operate any Annex or Satellite Location will terminate or expire when this Agreement terminates or expires (or earlier if provided in the Annex Amendment or Satellite Location Amendment).

B. You may renew this franchise for additional periods of five years each, provided that you:

(1) give us written notice of your intent to renew at least six but no more than 12 calendar months before the expiration of the initial or current renewal term;

(2) have substantially complied with this Agreement throughout the term and any renewal term and must not be in breach of any provision of this Agreement or any other agreement between you and us or any of our subsidiaries or affiliates;

(3) have the right, through ownership or lease, to occupy the premises of the School, including any approved Annex or Satellite Location (unless otherwise agreed), for the length of the renewal term;

(4) provide us with a copy of the lease agreement that will be in effect for the School during the renewal term;

(5) complete any training we require;

(6) pay us a renewal license fee of $10,000 when you provide written notice of your intent to renew to cover the background check expense for up to two people and our reasonable administrative and other costs; the renewal license fee, when paid, shall be deemed fully earned and non-refundable;

(7) pay us our then-current background check fee for any people above the two persons whose background check expense is covered by the renewal license fee, and your background check results for all persons are satisfactory to us; our current background check fee is described in Section 4A(3);

(8) have complied to our satisfaction with all obligations to maintain the School in first class condition and repair and in compliance with the System, including obligations to remodel, refurbish and improve the School as required by this Agreement to conform to our then-current standards and trade dress;

(9) unless otherwise agreed by you and us, sign our then-current form of collateral assignment of lease or option to lease agreement and right of first refusal, as appropriate, including with regard to any approved Annex or Satellite Location , unless a prior version of such agreement has already been signed, remains in effect and applies during the renewal term and permits us to retain rights under the lease that we had during the initial term to occupy the School premises that we deem then satisfactory in our sole business judgment;

(10) sign a general release, in a form satisfactory to us, of us and our subsidiaries and affiliates and our/their respective officers, directors, managers, members, shareholders, partners and employees in our/their corporate and individual capacities; and

(11) sign our then-current form of franchise agreement (limited to the renewal term), which agreement shall supersede in all respects this Agreement, and the terms of which may differ from the terms of this Agreement including a higher percentage royalty fee and marketing fee. If we then only enter into franchise agreements with individuals and not business entities, the individual owners of the business entity to which this Agreement was assigned for convenience of ownership pursuant to Section 12D (or comparable section) must enter into the renewal franchise agreement individually and must then assign the renewal franchise agreement to the business entity pursuant to Section 12D.

3. **OUR SERVICES**.

A. We shall provide an initial training program to up to two individuals named as parties to this Agreement that you request or we require, covered by the initial training and opening support fee stated in Section 4A(2); no additional fee shall be payable for training we provide under this Section 3A and Section 6D to such individuals but we may charge an additional fee for any additional individuals who attend training, as set forth in Section 4A(2) and Section 6D. The initial training programs will be delivered through a blend of online coursework, virtual, live sessions and in person training at our corporate offices or at another training site we select in accordance with our then current training program and via virtual and/or in-person one-on-one or small group training. You must pay for the expenses of all individuals during training, including the cost of food, all transportation and lodging costs for any in-person training portion. We shall also make available any other training programs as we deem appropriate. All training shall be at the times and places we designate and/or delivered via our online learning management system, Internet, webinar or other form of electronic communication. We may, in our sole business judgment, require additional training. You shall bear any transportation and lodging expenses for any in-person training and all other expenses incurred during any other training programs and any additional training, including the cost of food, for all individuals attending.

B. We shall provide for opening promotion, brand development, public relations, and initial marketing of the School at your expense, subject to applicable law.

C. We shall provide initial and continuing advisory assistance in the operation of the School as we deem appropriate.

D. We shall provide you with a set of specifications as to the types and quantities of supplies and equipment necessary for operation of the School and specifications for signs.

E. We shall make available to you the Manual, as described in Section 8 below.

F. We shall use commercially reasonable efforts to ensure that the School maintains high standards of quality, appearance, professionalism and service of the System and, to that end, shall conduct periodic inspections of the School as we deem advisable.

G. We shall administer the marketing funds paid by you under this Agreement as described in Section 5B below.

H. We shall provide assistance and help support with school specific and local marketing efforts and management of leads using tracking systems we deem appropriate in our business judgment. Our support may be primarily by telephone or electronic communication, including email.

4. **FEES**.

A. You agree to pay us:

(1) An initial license fee of $135,000 for the School. The initial license fee, when paid, shall be deemed fully earned and non-refundable. The initial license fee shall be due and payable in two installments, $30,000 upon your signing of this Agreement, less any deposits previously paid to us, and $105,000 when you receive the Opening Invoice (as defined below).

(2) An initial training and opening support fee of $35,000 for initial training for up to two individuals named as parties to this Agreement and for all services related to the School opening programs. Additional individuals named as parties to this Agreement may participate in the initial training program if you pay us a fee of $3,500 per additional person. The initial training and opening support fee and any additional training fees set forth in this Section shall be due and payable at approximately the same time that a Certificate of Occupancy, Temporary Certificate of Occupancy or Use and Occupancy Certificate ("Certificate of Occupancy") is issued for the School. At that time, we will present you with a statement ("*Opening Invoice*") showing the status of your account and you must pay us immediately the amounts outstanding on the Opening Invoice by wire transfer. If you add a Satellite Location to this Agreement, you will pay us a Satellite Location assistance fee regarding the Satellite Location of $7,500 payable immediately upon your receipt of the Opening Invoice for the Satellite Location. We provide modified opening support in connection with the development and opening of a Satellite Location.

(3) To the extent not previously paid, a background check fee. As of the date of this Agreement, the fee is $1,500 per person. If we request additional background checks during the term of this Agreement pursuant to Section 2B(6) (renewal), this Section 4A(3), Section 6T (deemed desirable, including in connection with the development of an Annex or Satellite Location), Section 10G (new spouse), Section 12B(5) (transfer), or Section 12I (add-on individual franchisees), you shall pay us a background check fee for each such background check, except for a background check we conduct under Section 6T if the background check is within five years of the last check on the individual (and not related to development of an Annex or Satellite Location, a renewal, addition of a new spouse, or a transfer), and shall pay us the background check fee upon demand. The background check fee, or any amount collected and deemed covering the cost for a background check for up to two persons in connection with a renewal license fee or franchisee add-on fee, is not refundable.

(4) A site development fee of $35,000 shall be payable for the School upon your receipt of the Opening Invoice for the School. If you develop a Satellite Location, a site development fee of $8,750 shall be payable for development of the Satellite Location upon your signing of the Satellite Location Amendment. We may also charge you a reasonable fee, up to the amount of our then-current site development fee for our services in connection with any relocation, expansion, Annex and/or material alterations of the School payable upon your receipt of the Opening Invoice for the Annex or upon our request with respect to the School or the Annex. We may charge you $8,750 for our services in connection with any relocation, expansion, and material alterations of a Satellite Location, payable upon our request with respect to the Satellite Location.

(5) A continuing monthly royalty fee during the term of this Agreement in an amount equal to 7% of all cash collected, or other consideration received, including the fair market value of property or services received or to be received in bartering, for all services or products of any

nature rendered or sold at or from or as a result of the School ("*Gross Receipts*"). The revenues of any approved Annex or Satellite Location are included in Gross Receipts.

(6) A non-refundable convention deposit of $2,000 due when you receive the Opening Invoice or, if you are purchasing an existing School, the deposit is due when you sign this Agreement. We may also request a convention deposit in our sole business judgment if you sign an Annex Amendment or a Satellite Location Amendment, due when you receive the Opening Invoice for the Annex or the Satellite Location. We will hold the convention deposit and apply it, until the deposit is depleted, to attendance fees we charge for annual franchisee events that you must attend (pursuant to Section 6E) following the date you first open the School for business or assume operation of the School as an existing School or first open the Annex or the Satellite Location for business. We will not pay any interest on the deposit and do not have to hold the deposit in a separate account. For each required event, we will apply from the convention deposit an amount equal to the registration fee for one individual, regardless of whether you or your personnel attend.

(7) A satellite location fee of $30,000. The satellite location fee, when paid, shall be deemed fully earned and non-refundable. The satellite location fee shall be due and payable upon your signing of the Satellite Location Amendment. (No initial fee is payable for the approval of an Annex.)

B. All monthly royalty fees and TGS Marketing Fund continuing marketing fees (described in Section 5 below) shall be payable monthly on the third business day of each month on Gross Receipts for the preceding month. We will electronically withdraw the payment on or after the third business day of any month. If you fail to report your Gross Receipts on a timely basis, we may estimate your Gross Receipts and withdraw from your operating account the amounts estimated to be due to us for the royalty fee, TGS Marketing Fund continuing marketing fees and any bank fees. Once you have submitted the Gross Receipts report, any overpayments from the estimated amount will be forwarded to you or credited to your account less any bank fees; if the estimated amount was an underpayment, you shall immediately pay the remaining amount due, with interest and any bank fees.

C. Any late payment under this Agreement or any other agreement with us or our affiliates shall bear interest compounded monthly from the due date until paid at 1.5% per month or the maximum legal interest rate, whichever is lower. Entitlement to interest shall be in addition to any other remedies we or our affiliates or subsidiaries may have.

D. You shall make timely payments of all obligations related to the School to suppliers, vendors, lenders or lessors and any other indebtedness incurred by you in operating the School. If we pay any expense on your behalf you shall reimburse us promptly. Failure to comply with this Section 4D shall be a default of this Agreement.

E. You shall promptly pay when due all taxes levied or assessed by any tax authority. Failure to do so shall be a default of this Agreement. You shall be responsible for any sales tax, use tax, gross receipts tax, excise tax or other similar tax (collectively "Sales Tax") imposed by law on all payments you make to us or our affiliates under this Agreement or otherwise, in connection with the School, whether assessed on you or on us or our affiliate. We and our affiliates may collect some of the Sales Tax from you for transmittal to the taxing authority on your behalf. You will reimburse us and our affiliates for any Sales Tax we or our affiliate pay directly to any taxing authority on your behalf in connection with the School. You are responsible for any Sales Taxes that we do not collect and/or remit on your behalf.

F. We may charge a fee for use of our proprietary software (currently called Franchise Management System (FMS)). We may charge a reasonable systems fee for modifications, enhancements, and installations made to our computer systems (including all hardware, software and firmware, and network infrastructure, including a router and firewall) (network infrastructure, including a router and firewall are sometimes separately referred to as "IT Security"), network equipment / wireless access point devices, and telephone systems including telecommunications infrastructure products and support services) and our proprietary software that we may assess based on an apportionment among our franchisees. We may also charge a reasonable fee on an individual franchisee basis for other information technology maintenance and support services we may provide that we determine, in our sole business judgment, are in excess of the general level of services we then provide to franchisees. These fees will be payable within 30 days following your receipt of notice of the fee and we may withdraw the amount from your operating account pursuant to your pre-authorized draft forms as provided in Section 4G.

G. You shall maintain one operating account to make all payments required by this Agreement. At our request, you will sign and deliver to us appropriate pre-authorized draft forms to establish a bank draft arrangement for the operating account with respect to any amounts due to us under this Agreement and make sufficient funds available in the operating account no later than the due date for any required payments. You agree to advise us at least 20 days in advance of any change in your bank, financial institution or account and you will not make any change without first obtaining our written consent and signing new draft forms with us. You shall pay us the greater of $30 or the amount of any returned, stop payment or insufficient funds fees or any similar or related fees charged by any financial institutions or any electronic funds transfer network or ACH for an unsuccessful or late payment and any replacement payment. You acknowledge and agree that this Section is intended to serve as your authorization for us to withdraw payment of any amounts due to us under this Agreement under any type of electronic funds transfer or wire transfer process. Notwithstanding the foregoing, we shall have the right, in our sole business judgment, to require you to pay any amounts due to us under this Agreement by means other than bank drafts, and you agree to comply with our payment instructions.

H. You shall not withhold any payments on any grounds, including allegations of our non-performance.

5. **MARKETING AND PROMOTION**.

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

A. You will pay us an initial marketing fee for opening promotion, brand development, public relations, general administrative expenses, and initial marketing of the School in the amount of (i) $55,000 if you have up to 130 full-time equivalent enrollment capacity; (ii) $65,000 if you have between 131 to 160 full-time equivalent enrollment capacity; or (iii) $75,000 if you have more than 160 full-time equivalent enrollment capacity. You will pay us $55,000 of the initial marketing fee upon your signing of this Agreement and the balance (if any) of the initial marketing fee when you receive the Opening Invoice. If you add a Satellite Location to this Agreement, we may require an initial marketing fee of $15,000 if we determine in our sole business judgment based on our assessment of the Satellite Location’s needs for the promotion of the School and the addition of the Satellite Location, brand development and initial marketing related to the addition of the Satellite Location, payable when you sign the Satellite Location Amendment.

B. You will pay us a continuing monthly marketing fee for the national marketing fund for The Goddard School brand, which is called TGS Marketing Fund (the “TGS Marketing Fund” or the “Fund”) in the amount of 4% of Gross Receipts of the School, including the Gross Receipts derived from any Satellite Location or Annex. We may assess a continuing monthly marketing fee in a lesser amount than the amount we have the right to assess if we determine, in our sole business judgment, that the lesser amount will purchase an appropriate level of marketing for the brand or the TGS Marketing Fund, provided that assessment of a lesser amount does not constitute a waiver of our right to assess the full amount authorized under this Section 5B. Unless required by applicable law, we will have no obligation to create a trust account, escrow account, or other special account for the TGS Marketing Fund, and the monies comprising the TGS Marketing Fund may be placed in our general account(s) if we desire. No fiduciary duty is created by the existence of the TGS Marketing Fund. We intend the TGS Marketing Fund to be of perpetual duration, but we maintain the right to terminate the TGS Marketing Fund or to create new accounts or merge accounts. We will not terminate the TGS Marketing Fund until all money in the TGS Marketing Fund has been expended for marketing, promotion or other appropriate purposes or returned to contributors on the basis of their respective fees.

All monthly marketing fees shall be payable at the same time as the monthly royalty fee as provided in Section 4B above. We may designate an affiliate to administer the TGS Marketing Fund and/or marketing and promotional programs for us, and may transfer to our affiliate all or a portion of the marketing fees paid by you, and we may direct you to pay all or a portion of your monthly marketing fees directly to our affiliate. We or our affiliate will direct all marketing, promotion or other appropriate uses to be undertaken through the use of the TGS Marketing Fund in our or our affiliate's sole business judgment. We or our affiliate will have control over all creative concepts, materials and media used in all programs and the placement and allocation of all programs. Neither we nor our affiliate has an obligation to spend any or all of the marketing fees within the period or the year collected. We may use the fees for marketing for future time periods, or to reimburse us or our affiliate for expenses incurred before collection of the marketing fees from you or other franchisees. Marketing fees are non-refundable. We or our affiliate may receive and retain discounts or commissions from the placement of marketing. We may estimate your Gross Receipts and collect estimated continuing marketing fees if you fail to report your Gross Receipts on a timely basis, as provided in Section 4B.

You acknowledge our right to pay from the marketing fees collected all costs and expenses related to the formulation, development, production, media and all other costs of marketing and promoting The Goddard School® brand including operating expenses and the proportionate compensation of our and our affiliates' employees who devote time and render services in the conduct, formulation, development and production of marketing and promotion programs or who administer these funds. These marketing and promotion costs and expenses may include website development and costs, web-based marketing development, intranet development and costs, reputation management, marketing automation tools, email marketing, public relations, digital and non-digital media vehicles, content management software, licensed content and imagery, SEO software, agency fees, toll-free school locator costs, fees for consultants to assist with strategy development, research, general marketing and system projects, and costs and fees related to the research and development of potential products and services, materials and other services intended to promote The Goddard School® brand or increase School enrollment such as surveys, mystery shops, teacher recruitment and retention, and other activities intended to promote the goodwill of the brand or System. You further acknowledge that marketing fees payable under this Agreement will <u>not</u> be used to pay for your print and online business listings advertisements or the costs of any services that you engage directly and that we or our affiliate do not provide, for example, social media placement firms (see Sections 5C, 5D and 5E below). We will spend all marketing fees for media and advertising as described in this Agreement on a national, regional and/or local basis. We reserve the right to include a message or statement in any marketing indicating that franchises are available for purchase and related information. You agree that marketing and promotion conducted by us is intended to maximize general public recognition and patronage of Goddard Schools in the manner that we determine in our sole business judgment to be most effective. Therefore, we undertake no obligation to develop, implement or administer the marketing programs to ensure that the School will benefit directly or in proportion to the amount you contribute from the placement of marketing. We do not have to spend any amount on advertising in the area or territory where the School is located. If you request in writing, we will provide an annual statement of receipts and disbursements of the TGS Marketing Fund. The TGS Marketing Fund receipts and disbursements are not subject to audit. You may have to purchase marketing materials produced by the TGS Marketing Fund or by us or our affiliates; we, our affiliates or the TGS Marketing Fund may make a profit on the sale.

C. You acknowledge the need to market and promote your business on a local basis in accordance with our then current guidelines and standards, which are in the Manual. Accordingly, you agree to execute school specific marketing and advertising, however the payment of these services are your sole responsibility. You agree that your obligation to execute school specific marketing and advertising under this Agreement is not diminished notwithstanding the actual amount of expenditures by other franchisees of ours, or of default of this obligation by any other franchisees. We may designate one or more marketing agencies and/or other suppliers for all national, regional and local marketing and you must engage the designated agencies and/or other suppliers for local marketing if we do so.

D. We will secure the telephone number and listing for the School including any approved Annex or Satellite Location. Either we or you will own the telephone number depending on the telephone service you choose. Typically we will own the telephone number in the case of a landline, but you will own the telephone number in the case of VOIP (Voice Over Internet Protocol) telephone service and certain other telephone service options. You shall notify us in writing of all telephone numbers and telephone service providers used by the School, including any approved Annex or Satellite Location, and you shall promptly notify us in writing of any change or addition of telephone numbers and telephone service providers for the School. At your request, we will consider and may, in our sole business judgment, contract for any changes for telephone service providers of the School if we own the telephone number. We shall have the right to control all business listings advertising, including any Internet based advertising. We shall determine, in our sole business judgment, the size of display advertisements and the type of advertisements to be placed in all business listings advertisements. You agree to pay the telephone company directly for all telephone numbers you own or use. You also agree to reimburse us upon your receipt of an invoice from us, for all telephone bills we may pay with respect to telephone service and telephone number(s) used by the School (whether or not you own the telephone number(s) or have direct responsibility to the telephone company.) We will place all print and online business listings advertising for you and other franchisees of the System.

E. All marketing and promotion by you of any type shall be conducted in a dignified manner and shall conform to the standards and requirements we prescribe. You shall submit to us, for our approval, samples and descriptions of all marketing and promotional plans, webpages, electronic content, emails, signs, materials and methods of delivery that you desire to use and that have not been prepared or previously approved by us. You shall not use any marketing or promotional plans, webpages, electronic content, emails, materials or methods of delivery or posting unless and until approval has been obtained from us, and you shall not use any marketing or promotional program that was approved by us more than 12 months before your planned date of publication, posting, delivery or use, without first receiving our written approval to use or publish those materials. At our request, you will include a message or statement in any advertisement, including any signs you purchase at your expense, indicating that franchises are available for purchase and related information.

F. You shall not develop, own or operate any website, webpage, domain name, email address or other identification of the School using the Proprietary Marks or otherwise referring to the School without our prior written consent, which we are not obligated to provide. The restrictions on your marketing in Section 5E and this Section 5F include any electronic medium for communication, including websites, webpages, email, texting, blogs and social networking sites.

G. The telephone numbers we secured and provide to you, or that you secure and own and identify to us in written notice, shall be the only telephone numbers used in all marketing in any medium, including any toll-free line. You shall not own any toll-free lines without our written approval.

H. In an effort to maximize the efficiency of marketing and promotions, we may, from time to time, purchase marketing or otherwise advance funds on your behalf in advance of your initial marketing fee or otherwise. We shall be entitled to full reimbursement from you of any funds we advanced for your benefit. Reimbursement shall occur upon our request. In addition, if the Franchise Agreement is terminated, expires or is transferred before we have been fully reimbursed for any advanced funds, you must immediately reimburse us any outstanding amounts due under this Section 5H.

6. **DUTIES OF FRANCHISEE**.

A. You are required, at your expense, to purchase or lease a suitable location which we have approved for the operation of the School, including any approved Annex or Satellite Location. Before signing any lease or purchase agreement, you must obtain our approval of the lease or purchase agreement. The term of the lease must be at least the full term of this Agreement, fifteen (15) years (which may include option terms), and coterminous with the effective and expiration dates of this Agreement. We will not unreasonably withhold our approval of a lease or purchase agreement, but you agree to the following provisions, which we may require be stated in the lease:

(1) the premises shall be used only as The Goddard School;

(2) no part of the premises may be assigned or subleased except as part of a sale of the School approved by us;

(3) we shall have the right to enter the premises to inspect and make any modifications we deem necessary to protect the Proprietary Marks;

(4) we shall have the right to receive an assignment of the lease on termination of the Franchise Agreement; and

(5) you shall not make any changes to the building or premises without our consent.

If you lease your School premises, including any approved Annex or Satellite Location, you will sign a collateral assignment of your lease in a form we require to secure your obligations to us under the terms of the Franchise Agreement, and you will obtain the landlord's consent to the assignment, also in a form we require. In addition, if you lease your School premises, including any approved Annex or Satellite Location, the individuals or affiliated business entity on the lease must be the same as the individuals or entity that is the franchisee under this Agreement (following any transfer of this Agreement to an entity for convenience of ownership as provided in Section 12D).

If you or a business entity affiliated with you purchases the site for the School, including any Annex or Satellite Location, in addition to items 1, 2, 3 and 5 above of this Section 6A, you or the affiliated entity shall sign our Option to Lease Agreement and Right of First Refusal, which gives us the option to lease the premises on termination of this Agreement and a right of first refusal if you sell any interest in the property during the term of the Franchise Agreement. You shall notify us immediately of any change in ownership of the premises of the School during the term of this Agreement, and you shall notify us before the acquisition of the premises by you or a business entity affiliated with you. If you initially lease the premises and then you or a business entity affiliated with you acquires the School premises during the term of this Agreement, you or the entity must sign our then-current Option to Lease Agreement and Right of First Refusal when you acquire the premises. If you or a business entity affiliated with you purchases the School premises, any entity that owns the School premises must be a separate entity from the entity that is the franchisee under the Franchise Agreement (following any transfer of this Agreement to an entity for convenience of ownership as provided in Section 12D), and you must submit to us for our prior review a lease between you or the franchisee entity and the affiliated entity that owns the property.

You shall submit to us for prior approval all construction plans, site plans and blueprints for each location we approve, including any proposed sites for relocation of the School, including any Annex or Satellite Location, and any Annex, Satellite Location, or expansion or material alterations of the premises or playgrounds of the School, including any Annex and any Satellite Location. We will provide prototypes of building plans and you will need to hire an architect and engineer. We, in our sole business judgment, may require you to engage and pay third party design/build professionals we designate or if we do not designate design/build professionals you must use, we, in our sole business judgment, may require you to engage and pay a third party construction manager we designate or approve for construction management services in connection with the development and construction of the School, any Annex, Satellite Location, or other construction project. The services of a qualified, licensed architect and engineer, who we have approved or designated for use by our franchisees, will be required to adapt our prototype building plans and specifications for the remodeling or finish-out of the School. We may from time to time develop or approve variations with respect to our prototype locations and plans although we have no obligation to do so. If the current prototype building plans have never been used in the state in which the School will be located, or the School will be located in a retro-fit building, you may have to pay additional fees to the architect and engineer to bring the prototype into compliance with state-specific requirements. We may condition our approval of any expansion, Annex, Satellite Location and material alterations on your obtaining certain insurance coverage before beginning construction, or on other terms. During construction, you shall obtain our approval on all change orders and material modifications to the approved plans. If you enter into a contract with third party design/build professionals, developer or contractor for the construction or expansion of the School, including any Annex or Satellite Location, the contract shall contain a substantial completion date, and you shall submit a copy of the contract for our files. You agree to adhere to and comply with our site selection, site development and construction processes including securing the adherence to these processes by your developer and/or contractor(s).

Any expansion, Annex, Satellite Location, and material alterations of the School premises or playgrounds (including material alterations to any Annex or Satellite Location) shall become part of the School premises for all purposes under this Agreement, including without limitation (i) the requirements under this Section 6A, including but not limited to the requirement that the premises shall be used only as The Goddard School, and (ii) the Gross Receipts reporting requirements under Section 10B and continuing monthly royalty and continuing monthly marketing fee payment obligations under Section 4A(5) and Section 5B respectively. No additional initial license fee, initial training and opening support fee or initial marketing fee shall be payable solely in connection with any expansion, Annex or material alteration pursuant to Sections 4A(1), 4A(2) or 5A, but a Satellite Location Fee pursuant to Section 4A(7) (instead of an initial license fee), a Satellite Location assistance fee pursuant to Section 4A(2) (instead of an initial training and opening support fee) and an initial marketing fee shall or may be payable in connection with the development of a Satellite Location and a convention deposit pursuant to Section 4A(6) and a background check fee pursuant to Section 4A(3) may be payable in connection with the development of an Annex or a Satellite Location. For the purposes of the accounting and records requirements of Section 10, any expansion, Annex, material alteration or Satellite Location will have a computer system, including all hardware, software and firmware and IT Security, network equipment / wireless access point devices, and a telephone system, including network and telecommunications infrastructure products and support services, on the premises, but they will be integrated with and not separate from the computer system and IT Security and network equipment / wireless access point devices installed at the associated School, but we may require that you be able to identify Gross Receipts and costs associated with any Annex or Satellite Location and that you have a separate telephone number for any Annex or Satellite Location. We may charge you a reasonable fee, up to the amount of our then-current site development fee, for our services in connection with any relocation, expansion, Annex and material alterations of the School, including any Annex, and we may charge you $8,750 for our services in connection with the development of any Satellite Location or any relocation, expansion and material alterations of a Satellite Location, pursuant to Section 4A(4).

B. You shall develop the School, including any approved Annex or Satellite Location, in the manner prescribed by us for Goddard Schools, including the implementation of the System, and shall use in the development and operation of the School only those approved suppliers we designate or those brands and types of equipment and supplies which meet our standards and specifications. Our approval or designation of a brand or type of equipment or supplies or our approval or designation of a vendor or supplier does not constitute our guaranty or warranty of the equipment or supplies or of the vendor or supplier. We may designate an approved sole supplier or approved sole suppliers, including ourselves and our affiliates, for any one or more items, and you will have to purchase (at then-current prices) from them or us. We may require you to sign separate agreements with suppliers that we designate or approve for the purchase of certain products or services. We may share with suppliers certain information about you and your ability to pay for the costs associated with opening the School, including commitment letters from your lender(s) and/or similar documentation. We may obtain revenue from you and make a profit. We require that you purchase certain products and services from our approved suppliers directly or through design/build professionals we designate. We may receive fees and other payments from suppliers and others in connection with your purchases and we may use the fees for our own purposes. If we offer to issue purchase orders to you which we will submit to approved suppliers on your behalf for you to purchase from third parties, you shall sign and return our then-current form of purchase orders at the time you place your order for items you choose to buy through purchase orders we issue. The purchase orders you will sign may differ from the sample purchase orders attached to our disclosure document.

C. You must investigate, keep informed of and strictly comply, at your expense, with all applicable local, state, and federal laws, rules, regulations, ordinances, standards, and directives in effect at any time related to the construction and operation of the School, including any approved Annex or Satellite Location, and the use of any furniture, fixtures, equipment and signs. These include (without limitation) licensing requirements; "star" ratings or a point system to designate the quality of the facility; accreditation;

specified minimum indoor and outdoor physical facilities and equipment; personnel screening obligations involving background checks and criminal records checks; personnel credentials, age restrictions and training requirements; obligations to report evidence of child abuse and neglect; food service requirements; requirements that playground structures provide shade; a prohibition on marketing before the operator is licensed or the business opens; and record keeping. Other applicable laws include (without limitation) the Americans with Disabilities Act and other federal and state laws relating to employees and customers with disabilities; the Fair Labor Standards Act, the Occupational Safety and Health Act and other federal and state laws governing minimum wage, overtime, working conditions and other employment-related subjects; Title VII of the Civil Rights Act, the Equal Employment Opportunity Act and other federal and state laws relating to discrimination and harassment; laws governing various other matters, such as privacy and data information security; laws applicable to health, sanitation, smoking, safety, fire and other matters; tax laws; environmental laws; and laws relating to citizenship or immigration status. Before you open the School, you must obtain all permits and certifications required to operate the School, including all business or other licenses and all zoning, access, signs and fire permits and approvals. You acknowledge the need to retain your own legal counsel to assist you in complying with these obligations throughout the term of this Agreement and any renewal terms, and further acknowledge that no employee or legal counsel of ours can or will provide you with legal advice at any time. Accordingly, you agree not to rely, or claim to have relied, on our employees or legal counsel for legal advice.

D. Before the opening of the School, the franchisee you have designated, and we have approved, to conduct the day-to-day management and operation of the School (the "designated on-site operator"), shall attend and must complete to our satisfaction all requirements of an initial training program we prescribe delivered through a blend of online coursework, virtual, live sessions and in person training at our corporate offices or at another training site we select in accordance with our then current training program and via virtual and/or in-person one-on-one or small group training. The designated on-site operator must have at least a 10% ownership interest in the School and must devote full time, energy and efforts to the management and operation of the School, as stated in Section 16A. You may not change the designated on-site operator during the term of this Agreement without our prior written approval. The replacement designated on-site operator must attend and complete to our satisfaction all requirements of our then current initial training program. Any person who has signed the Franchise Agreement and is responsible for the day-to-day operations of the School must attend and complete all requirements to our satisfaction of our initial training program at your expense. Only individuals who have satisfactorily completed all requirements related to our initial training program we prescribe or our Director Initial Training Cohort Program described in Section 6F may lead tours of the School for parents of prospective students or others or serve in a management role in the School with respect to overseeing the relationship with parents of the School's students or School employees. Training may take place in one or more sessions, with a session varying from one or more consecutive days to two or more consecutive weeks and you will have to plan your schedule accordingly. Up to two individuals named as parties to this Agreement may attend our training at your request covered by the initial training and opening support fee stated in Section 4A(2); no additional training fee shall be payable for training we provide under this Section 6D and Section 3A to such individuals but we may charge an additional fee for any additional individuals who attend training, as set forth in Section 4A(2). We shall provide and pay only for training instructors, facilities and training materials. You must pay for the expenses of all individuals during training, including the cost of food, all transportation and lodging costs for any in-person training portion.

E. At our request, you shall attend and fully complete supplemental or refresher training programs, which may take place over two or more consecutive weeks, and any sales meetings, operations meetings, marketing meetings and conventions that may be offered by us from time to time during the term of the franchise. These programs, meetings or conventions shall be at the times and places we designate or delivered via our online learning management system, Internet, webinar or other form of electronic communication. You shall bear any transportation and lodging expenses for any in-person portion of the program and all other expenses incurred during any programs, including the cost of food, for all individuals attending. We shall provide and pay only for training instructors and materials. We will not charge any fee for these programs, except we do charge and you shall pay: (i) a registration fee for our conventions; and (ii) our then-current retraining fee, plus our personnel's travel expenses (including the cost of food, all transportation and lodging costs), for us to provide on-site training at the School if you fail to timely cure a default. Our rights under this Section 6.E. will be in addition to any other rights or remedies available to us (including the right to terminate this Agreement pursuant to Section 13).

F. You shall implement a training program, at your sole expense, for all employees and individuals conducting day-to-day management, programming and operation of the School, including any approved Annex or Satellite Location, which training must be in accordance with any training standards and procedures we prescribe from time to time. You will only employ individuals who have literacy and fluency in the English language sufficient to adequately communicate with students, their parents, other employees and suppliers, as applicable to their duties. You shall maintain at all times a staff of trained employees sufficient to operate the School, including any Annex and any Satellite Location, in accordance with this Agreement and applicable law. You agree not to employ any person who is required to complete a training program but who fails to complete it successfully or who refuses to do so. If you operate a Satellite Location or an Annex that is detached from the associated School building, the Satellite Location or the Annex must have dedicated trained staff for the office or other functions we require in the Manual or otherwise in writing. You must have one full-time director, and any additional full-time directors we may deem appropriate from time to time in our sole business judgment for the School. A Satellite Location must have one trained full-time director dedicated solely to the Satellite Location, and any additional full-time directors we may deem appropriate from time to time in our sole business judgment dedicated to the Satellite Location and sufficient dedicated trained staff to meet state childcare licensing requirements. Your director must (i) successfully complete training in accordance with our standards; (ii) be qualified to perform the duties of a director and manage the day-to-day operations of the School according to any applicable federal, state, or local requirements; and (iii) satisfy all brand standards specified in the Manual. You must notify us of the identity of your director and provide any information we request to confirm that the director complies with the above requirements. You agree to send your primary director and any replacement primary director to our Director Initial Training Cohort Program within our then-current director training timeline and to pay us the director's training fee then being charged. Your director(s) must complete all training requirements to our satisfaction. We may require that your director(s) attend and complete all requirements of repeat or supplemental training. Our Director Initial Training Cohort Program shall be at the times and places we designate or delivered via our adult learning platform, Internet, webinar or other form of electronic communication. You must pay for your director's salaries and expenses during training, including all travel costs, including food, transportation and lodging, if in-person training is required as part of our then-current Director Initial Training Cohort Program. You will be solely responsible for all employment decisions and functions, including hiring, firing, discipline, supervision, scheduling, setting terms of employment and compensation and implementing a training program for employees of the School in accordance with training standards and procedures we prescribe in order for you to conduct the operations of the School at all times in compliance with our requirements. You will never represent or imply to employees or prospective employees that they will be or are employed by us or our affiliates, and you will use the name of your corporate operating entity on all formal communications to employees and prospective employees, including offer letters and paychecks.

G. You shall maintain the School, including any approved Annex or Satellite Location, in the highest degree of safety, sanitation, repair and condition as needed, and shall perform any periodic repainting, repairs and replacement of impaired or obsolete existing improvements, indoor and outdoor equipment and signs as we may reasonably direct. At our request, which shall not be more often than once every three years, you shall refurbish the School at your expense, to conform to our then-current standards and trade dress, and shall make any structural changes, remodeling, redecorating, replacements, modifications and additions to existing improvements, indoor and outdoor equipment and signs as we may require.

H. You shall render prompt, professional, courteous and willing service to all customers and/or students of the School, including any approved Annex or Satellite Location, and agree to handle all customer complaints promptly and courteously.

I. You shall comply with all quality assurance and service standards we prescribe from time to time, including the following accreditation or state quality recognition requirement. We may require that you apply for and earn School accreditation through a national accreditor we approve or achieve at least second level quality recognition from your state's Quality Rating and Improvement System within 18 months after the School opens for business, or by a later date we determine in our sole business judgement, and then maintain your accreditation or quality recognition.

J. You shall offer all services that we from time to time require or authorize in writing for Goddard Schools. You shall not offer any other services without our written consent. You may not sell any products or services to our other franchisees without our prior written approval, which we are not obligated to provide.

K. You shall make all payments required under this Agreement or any other agreement between you and us or between you and our subsidiaries or affiliates, in the manner and at the time prescribed. You shall also make timely payments of all your obligations to your suppliers, vendors, lenders, lessors, employees, taxing authorities and others in connection with your operation of the School.

L. You shall notify us in writing within 24 hours of the commencement of any action, suit or proceeding against or involving you or the School business or premises, including any approved Annex or Satellite Location, and of the issuance of any report, order, writ, injunction, award or decree of any court, agency, police authority or other governmental instrumentality that may adversely affect any permit, certificate or license, the operation of the School, your financial condition or the financial condition of the School or any of your Owners (as defined in Section 13A(1)), including events described in Section 13A(1). Without limiting the breadth of this paragraph, this notice requirement includes action against professional services or credentials of the School or of any employee or independent contractor employed at the School, any failed inspection report, or any other alleged or substantiated violation of laws, rules, or regulations. You shall send us a copy of all notices or other documents received from any court, agency, police authority or other governmental instrumentality, or if no document was received, otherwise inform us in writing of any verbal notice or warning or any action taken or proposed to be taken, within 24 hours of receipt of any document, warning or verbal notice or the taking of any action, and shall otherwise notify us of any adverse claims, charges, or potential claims or charges against you, your employees and independent contractors, any of your Owners or any affiliates of the franchise entity, including those described above. If you fail to notify us and/or provide us with copies of a notice or document as required, we shall have the right to collect from you a late reporting fee in the amount of $50 for each and every failure and/or refusal to comply and for each and every repeated failure and/or refusal plus in each event $25 per day, beginning on the third day from the date performance is due, through and including the day the default is cured. Neither your requirement to pay nor our receipt of any late reporting fees shall be deemed to waive or restrict our right to declare a default and terminate this Agreement for your failure and shall otherwise be in addition to any other remedies we may have under this Agreement or otherwise. These fees will be payable within 30 days following your receipt of notice of the fee and we may withdraw the amount from your operating account pursuant to your pre-authorized draft forms as provided in Section 4G.

M. You shall obtain a computer system, including all hardware, software and firmware and network infrastructure, including a router and firewall (IT Security), network equipment / wireless access point devices, and telephone system, including telecommunications infrastructure products and support services, as we direct according to the then current IT Hardware Standards as set forth in the Manual or otherwise, for the School and as applicable, any expansion, Annex, material alteration or Satellite Location. Any Annex or Satellite Location will have a computer system, IT Security, network equipment / wireless access point devices, and telephone system on the premises, but they will be integrated with and not separate from the computer system, IT Security, network equipment / wireless access point devices, and telephone system installed at the associated School, including our proprietary software (currently called Franchise Management System (FMS)) and website systems, but we may require that you be able to identify Gross Receipts and costs associated with any Annex or Satellite Location. You shall subscribe to an Internet service provider approved by us. Our approval or designation of a product or service or our approval or designation of a vendor or supplier does not constitute our guaranty or warranty of the product or services or of the vendor or supplier. You shall also obtain computer network infrastructure, IT Security, network equipment / wireless access point devices, and telecommunications infrastructure products and services required to support our information technology systems, including high-speed Internet access, and shall keep those systems current as we direct according to the then current IT Hardware Standards as set forth in the Manual. Your computer system must be able to securely access the Internet through service provided by a high-speed Internet Service Provider, and send and receive email and attachments on the Internet. We shall have the right to access student, customer, financial, and all other information related to the operation of the School, from a remote location, without the need for consent, at the times and in the manner as we shall require, in our sole business judgment. We may modify our specifications, and you shall install additions, substitutions, and upgrades to the computer system, including all hardware, software and firmware and network infrastructure, including a router and firewall (IT Security), network equipment / wireless access point devices, and telecommunications infrastructure products and support services to maintain full operational efficiency and to keep pace with changing technology, manufacturer required updates, and updates to our requirements. You shall access website(s) and/or intranets we maintain on a regular basis. We may elect to provide any information we are required to or desire to communicate to you solely through our website(s) and/or intranets or other electronic means without any need to provide you with a paper copy or other physical format. We may also authorize suppliers and other third parties to communicate to you on our website(s) and/or intranets and you shall access their communications if we direct. You shall comply with all of our standards, specifications, policies and procedures related to the use of computers, the Internet and activities conducted over websites. You shall not provide access over the Internet to any surveillance cameras without our written approval. If you accept payment by credit or debit card, you shall comply with all Payment Card Industry ("PCI") standards and shall use best efforts to protect employees, students and their parents against identity theft and theft or misuse of personal information. You shall comply with Sections 17C, 17D and 17E concerning personal information and security measures, privacy policies and procedures. Any Annex and any Satellite Location will not have its own separate computer system and website systems.

N. You shall protect all user IDs, passwords, or other login and user authorization credentials, issued by us, as Confidential Information. You agree not to share these credentials with anyone who does not have a business need to know and use this information. You also agree to immediately report to us if you discover or suspect that login credentials may have been compromised or accessed by unauthorized persons. You shall install and configure endpoint security and data loss threat prevention software we specify and authorize us to monitor endpoint security and data loss threat prevention software on your computer systems. You agree to update/upgrade the software, from time to time as we specify, to remain effective against evolving threats and vulnerabilities. You agree to authorize us to periodically monitor and scan your systems to detect and remediate known security vulnerabilities and other malicious activities, to include monitoring for outdated security patches. You agree to authorize us to block, disable, or revoke your access to our applications, websites, systems, or network, if necessary, to respond to suspected or detected malicious activities. You agree to ensure all business information and personal data is wiped from your computer equipment prior to being turned in or recycled. From time to time, we are required to respond to audits to validate and attest to our ability to comply with legal and contractual data protection and IT security obligations. You agree to cooperate and provide support, as needed, for areas of the audit that includes, but may not be limited to your computers, credit card processing activities, and data handling processes and procedures. You agree to use only the platforms and programs provided or approved by us for the collection and storage of information related to the business, including but not limited to customer data, enrollment data, financial data, student data, etc.

O. After we have approved the location of the School, including any Annex or Satellite Location, or granted approval of your construction plans, site plans and blueprints, you shall not relocate the School or make any material changes, including any expansion or adding any Annex or Satellite Location, or relocate or make any material changes to any Annex or Satellite Location, without our prior written approval. All construction or renovation, and all real estate leasing or purchase arrangements, in connection with any material changes, including any expansion, or any relocation, including with regard to any Annex or Satellite Location, will be subject to our prior written approval and the other requirements of this Agreement, including Sections 6A, 6B and 6C. You shall notify us promptly if you receive zoning or other governmental approval in preparation for any material changes, including any expansion or addition of any Annex or Satellite Location, relocation, or any material changes to any Annex or Satellite Location. Any expansion of the School (including any Annex or Satellite Location) or relocation will be subject to the terms of this Agreement and any other agreements you have with us regarding the development or operation of the School.

P. You acknowledge that we endeavor to positively position the Goddard School brand with all key stakeholders and audiences, including the news media. All media inquiries made to you or the School should be directed to us immediately (but not later than 24 hours after the inquiry is made). Additionally, all opportunities for press or media coverage should be directed to us for review and approval. We will provide guidance and support regarding responses to media inquiries, as well as engaging with the press and news media. You will not make or issue any statements to the news media about The Goddard School and/or make any statements that may affect The Goddard School brand without our approval. Further, you will not represent that you are an authorized spokesperson or media representative for The Goddard School brand, us, or our affiliates. You shall comply with our Public Relations policies and procedures, which are accessible in the Manual, which may change from time to time. You shall alert us immediately to any potential crisis situation relating to the School, including any approved Annex or Satellite Location. You shall follow our policies and procedures for managing public relations and communications regarding a crisis situation as we direct in the Manual or otherwise. You shall not engage with media to any crisis situation without our prior approval. For purposes of this Agreement, a potential crisis situation includes (but is not limited to) any allegation or occurrence of abuse, neglect, or mistreatment of a child; any allegation or discovery that a child has been released to an unauthorized person; any occurrence of unlawful conduct in the School; any allegation or discovery of any hazardous or unlawful substance associated with the School; any outbreak of serious illness associated with the School or any allegation or discovery of any breach of computer or camera systems, loss of data, files or personally identifiable information. Because of the potential damage to the System and the goodwill associated with the Proprietary Marks, if you fail to alert us immediately of any potential crisis situation after you know or should reasonably know of the existence of the potential crisis, you shall pay us a late crisis notification fee of $2,500 for each and every failure to notify plus $500 per day beginning on the second day from the date notification is due, through and including the day the default is cured, to compensate for our added crisis-management efforts resulting from the late notification. Neither your requirement to pay nor our receipt of any late crisis notification fees shall be deemed to waive or restrict our right to declare a default and terminate this Agreement for your failure and shall otherwise be in addition to any other remedies we may have under this Agreement or otherwise.

Q. You are not, and shall not at any time be named, either directly or by an alias or nickname, on the list of Specially Designated Nationals or Blocked Persons, which includes the names of suspected terrorists, as designated by the United States Department of the Treasury's Office of Foreign Assets Control. You acknowledge that we intend to comply, and you must comply, with all prohibitions against corrupt business practices, money laundering and support of terrorist activities, including those contained in the United States Patriot Act, Executive Order 13224, and related United States Treasury regulations and any similar law ("***Anti-Terrorism Law***"). You will immediately notify us of any misrepresentation or breach of this Section. We may terminate this Agreement without any opportunity for you to cure under Section 13A(9) upon any misrepresentation or breach by you of this Section.

R. In addition to our rights to review financial information under Section 10F, you grant us or our representatives or agents the right at any time during normal business hours, and without prior notice, to enter and inspect the School premises and all aspects of the operation of the School, including any approved Annex or Satellite Location. You agree that our right to inspect includes the right to utilize a mystery shop program to evaluate the conduct of the School and you consent to any mystery shop program. You will allow us or our representatives or agents to make extracts from or copies of any of these materials and to take samples of any products sold and immediately remove any unauthorized products without any payment or other liability to you. You will allow us or our representatives or agents to take photographs, videos or any electronic record of the School and to interview employees, students and parents. We will have the exclusive right to use any photograph, video, electronic record or other material prepared in connection with an inspection and to identify the School and we will not have any obligation to obtain your authorization, or to compensate you in any manner, in connection with the use of these materials for marketing, training or other purposes. If we give you notice of any deficiency detected during an inspection, you will diligently correct the deficiency as soon as possible.

S. You authorize us to use information concerning you and the School, including any approved Annex or Satellite Location, for business purposes relating to the administration of this Agreement, the operation of the System and disclosure required or permitted by federal or state laws or regulations in connection with the sale of franchises. This information includes your name, business and home addresses, home or mobile telephone numbers, email addresses, business financial information, results of inspections and business records. We may identify you as the source of the information. The persons we may disclose this information to include prospective and existing franchisees, suppliers, landlords, financial institutions, our affiliates, the TGS Marketing Fund, local purchasing cooperatives and marketing funds and includes the right, but not the obligation, to disclose information regarding your compliance, any defaults and the termination of this Agreement.

T. You confirm your authorization for any background check (including credit and criminal) that we and our agents have conducted on you, and further authorize us and our agents to conduct additional background checks (including credit and criminal) that we deem necessary or desirable in our business judgment, including in connection with the development of an Annex or Satellite Location. You shall bear the cost of all background checks we conduct in connection with your application to be a franchisee, any renewal or transfer, or the addition of a new spouse or any other individual franchisee, as authorized and provided in Section 4A(3), Section 2B(6), Section 12B(5), Section 12I, or Section 10G, or in the event we deem it necessary under this Section 6T, except that we shall bear the cost for a background check we conduct under this Section 6T if the background check is within five years of the last check on the individual and is not related to development of an Annex or Satellite Location, a renewal, addition of a new spouse, or a transfer. You shall promptly provide us with authorization forms required by our agents and any other documentation we require following any request by us. You agree that any background check authorization documents you provide to us or our agents shall remain in effect during the term of this Agreement, to the extent allowed by applicable law.

U. You shall sign a lease agreement or real property purchase agreement no later than 45 days following your signing of this Agreement; provided, however, that we shall have the right in our sole business judgment, but without any obligation, to extend such date in writing.

V. You shall comply with all other requirements set forth in this Agreement.

7. **PROPRIETARY MARKS**.

A. Your right to use the Proprietary Marks is derived solely from this Agreement and is limited to the conduct of business by you pursuant to and in compliance with this Agreement. You agree that all usage of the Proprietary Marks and any goodwill established thereby shall inure to our exclusive benefit. You acknowledge that this Agreement does not confer any goodwill or other interest in the Proprietary Marks upon you. You agree to modify or discontinue use of any Proprietary Mark and/or use one or more additional or substitute Proprietary Marks, at any time, if we determine, in our sole business judgment, that it is advisable to do so.

B. You agree that after termination or expiration of this Agreement, you will not directly or indirectly at any time or in any manner identify yourself as a current or former franchisee of our System or any business as a current or former Goddard School or as otherwise associated with us or our affiliated companies, or use in any manner or for any purpose the Proprietary Marks or any colorable imitation thereof.

C. You agree to operate, advertise, market and promote the School under the trade and service mark "The Goddard School", provided that you shall identify yourself as a franchisee and the owner and operator of the School in the manner we prescribe. You and your employees shall not use the Proprietary Marks as part of any business entity name or Internet domain name or with any prefix, suffix or other modifying words, designs or symbols, or in any modified form, nor may you use the Proprietary Marks in connection with any unauthorized service in any manner not expressly authorized by us. You agree to prominently display the Proprietary Marks on all invoices, stationery and other forms and any other materials designated by us, and in the manner we prescribe, and to obtain any fictitious or assumed name registrations as may be required under applicable law. Notwithstanding anything to the contrary in this paragraph, you will use the name of your corporate operating entity in all formal communications to employees or prospective employees, including offer letters and paychecks.

D. You shall promptly notify us of any use by any person or legal entity other than you, us or another of our franchisees of any Proprietary Marks, any colorable variation thereof, or any other mark in which we have or claim a proprietary interest. You further agree to notify us promptly of any litigation instituted by any person or legal entity against you involving the Proprietary Marks. If we, in our sole business judgment, undertake the defense or prosecution of any litigation relating to the Proprietary Marks, you agree to sign any and all documents, and to cooperate and render any assistance as may, in the opinion of our lawyers, be reasonably necessary to carry out the defense or prosecution.

8. **CONFIDENTIAL OPERATING MANUAL**.

A. In order to protect our reputation and the goodwill of Goddard Schools and to maintain uniform standards of operation under the Proprietary Marks, you shall locate, construct, furnish, equip and operate the School in accordance with the Manual, which will be made available to you during your training, electronically. Our approval or designation of a brand or type of product or services or our approval or designation of a vendor or supplier does not constitute our guaranty or warranty of the product or service or of the vendor or supplier. You must operate the School in strict conformity with the methods, standards and specifications we provide, which may change from time to time. You may not deviate from our standards and specifications by using or offering non-conforming products or differing amounts of any products or offering non-conforming services, without obtaining our prior written consent. You must sell and offer for sale only those products and services that we have expressly approved for sale in writing. The Manual consists of operating manuals, videos and materials which contain mandatory and suggested specifications, standards and operating procedures. We may provide the Manual and other information electronically, including by email or by access to an intranet.

B. The Manual and its contents shall at all times remain our property. We may change any standard, specification or operating procedure or any of the Proprietary Marks applicable to the operation of the School or change all or any part of the System through changes in the Manual's contents or notice to you and you shall comply with each new or changed standard at your expense, by the date or dates we direct. The mandatory provisions of the Manual shall constitute provisions of this Agreement as if fully set forth in this Agreement and all references to this Agreement shall include the mandatory provisions of the Manual. We may vary the standards and specifications to take into account unique features of specific locations or types of locations, special requirements and other factors we consider relevant in our sole business judgment.

9. **CONFIDENTIAL INFORMATION**.

A. The Manual and its contents, our trade secrets and other confidential or proprietary information or compilations, any material in which we claim copyright protection, knowledge, know-how, methods and techniques concerning the methods of operation of a Goddard School (collectively, "Confidential Information") are our exclusive property and are revealed to you in confidence solely to assist you in operating the School. You shall at all times treat the Manual, any other materials created for or approved for use in the operation of the School, and the information contained in the Manual or those materials as confidential, and you shall use all reasonable efforts to maintain the information as secret and confidential. You shall not at any time, without our written consent, copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person.

B. You shall not, during the term of this Agreement or thereafter, except as permitted in this Section, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, corporation, limited liability company or other entity, any Confidential Information which may be communicated or disclosed to you, or of which you may be apprised, by virtue of your operation under the terms of this Agreement. You may divulge Confidential Information only to those employees and contractors as must have access to it in order to develop or operate the School and you shall advise them of the duty to maintain the information as confidential before communicating or divulging any Confidential Information to them. In addition, subject to applicable law, you shall obtain a written agreement, in form and substance satisfactory to us, from your director(s) and other employees, contractors, and any other person having access to the Manual or to whom you wish to disclose any Confidential Information that they shall maintain the confidentiality of the Confidential Information and they shall recognize us as third-party beneficiary with the independent right to enforce the covenants either directly in our own name as beneficiary or acting as agent. You hereby appoint us as your agent with respect to the enforcement of these covenants. An example of a separate written agreement currently considered satisfactory, including provisions to confirm our ownership of Inventions and Intellectual Property (as defined in Section 9D) is the Confidentiality Agreement attached as an exhibit to our disclosure document. You shall retain all written Confidentiality Agreements with your business records for the time period specified in the Manual or under applicable law. You shall enforce all covenants and will give us notice of any breach or suspected breach of which you have knowledge. These obligations shall survive the expiration or termination of this Agreement for any reason.

C. You will promptly notify us of any unauthorized use or misappropriation of the Manual or any Confidential Information. You will also cooperate in the prosecution or defense of any action related to the Confidential Information or the Manual, and will render any assistance we think is reasonably required to assist in this prosecution or defense. If you are compelled by a court or other body of competent jurisdiction to disclose any of the Confidential Information, you will inform us promptly by written notice and will provide reasonable assistance in obtaining and enforcing a protective order or other appropriate means of safeguarding the information required to be disclosed. You may then disclose only so much of these materials or information as is legally required to be disclosed. You further agree to notify us promptly of any litigation instituted by any person or legal entity against you involving these materials or information. If we, in our sole business judgment, undertake the defense or prosecution of any litigation relating to the use of these materials or information, you agree to sign any and all documents, and to render any assistance as may, in the opinion of our lawyers, be reasonably necessary to carry out the defense or prosecution.

D. You shall disclose promptly to us any idea, improvement, invention, concept, technique, copyright eligible work, intellectual property, software or material that you or your employees conceive, develop, discover, create or reduce to practice (a) concerning the System or the operation of the School, or (b) that results from your use of our property or the assets of the School; all such works and materials being referred to as “Inventions and Intellectual Property” or “IIP”. You grant and assign to us your entire right, title and interest in and to any and all IIP. To the extent that you retain any moral rights under applicable law, you ratify and consent to any action that we may take or authorize with respect to such moral rights, and agree not to assert any moral rights with respect to such action. Any copyrightable IIP is a “work for hire” under the Copyright Act, and we shall be considered the author and owner of these copyrightable works. If an item of IIP does not qualify as a work made for hire, by signing this Agreement you assign to us ownership of any and all rights in such IIP. We may use IIP and any other information provided by you in any manner we may deem appropriate without additional compensation to or consent by you. You shall, upon request, promptly execute all applications, assignments, or other instruments that we deem necessary to apply for and obtain invention rights, patents, patent applications, letters patent, copyrights, trademarks, and reissues of any of these rights in the United States and foreign countries that are necessary to secure the complete benefit of the IIP and to confirm the assignment to us in this Section 9D of the sole and exclusive rights, title, and interest in and to your right in and to IIP. In addition, subject to applicable law, you shall obtain a written agreement, in form and substance satisfactory to us, from your director(s) and other employees, that they shall agree that IIP belongs to us, either because they constitute “works for hire” or because they assign to us ownership of IIP.

10. **ACCOUNTING AND RECORDS**.

A. During the term of this Agreement, you shall maintain and preserve, for at least seven years from the dates of their preparation (or longer period if required by law), full, complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner we prescribe from time to time. You shall keep books, records and accounts with respect to the

School, including any Annex or Satellite Location, as a whole, but we may require that you be able to identify Gross Receipts and costs associated with any Annex or Satellite Location.

B. You shall submit to us, no later than the third business day of each month during the term of this Agreement, a signed statement in the form we prescribe that accurately reflects all Gross Receipts during the preceding month and any other data or information as we may require.

C. You shall submit to us, no later than the third business day of each month during the term of this Agreement, at your expense, an unaudited profit and loss statement for the preceding month and the year-to-date.

D. At our request, you shall also, at your expense, submit to us an audited profit and loss statement and balance sheet for any calendar or fiscal year during the term of this Agreement.

E. You shall submit to us, for our review or audit, all other forms, reports, records, information and data as we may reasonably request, including the School's income tax returns, bank account records, balance sheets and tax returns of any Owner (as defined in Section 13A.1).

F. We or our designees shall have the right at all reasonable times to examine your books, records, and tax returns. We shall also have the right, at any time, to have an independent audit or inspection made of your books. If any inspection or audit should reveal that any payments due us have been understated you will pay to us immediately the amount of the underpayments with interest at the rate specified in Section 4C of this Agreement. If underpayments of more than 3% are discovered, in addition to the amounts stated in the preceding sentence, you will also pay to us immediately: (a) the cost of the inspection or audit (such as the charges of any independent accountant, attorneys' fees and travel expenses, including food, transportation and lodging, and compensation of our employees) or $10,000, whichever is greater; and (b) an amount that is equal to 10% of the amount you owe us. Interest payable under this Section 10F will be calculated from the date the amount was due until the date the amount is paid. The foregoing remedies shall be in addition to any other remedies we may have under this Agreement or otherwise.

G. You shall immediately notify us of any material change in the information you provided to us in your franchise application since the date of the application, including changes in financial condition, bankruptcy history and criminal history, death or incapacity of any individual that signed this Agreement, and any change in your marital status, home address, home telephone numbers, home email address, business address, business telephone numbers, business email address, cell phone number, and of the name and address of the owner of the School premises. If there is a material change in your financial condition, in addition to notifying us of the change, you shall provide updated personal financial statements. You shall also provide updated personal financial statements, supporting materials and any other documentation we require within 30 days of any request by us. If you are a married individual, both you and your spouse must sign this Agreement and related agreements as individuals. If there is change in your marital status, you agree to a background check (including credit and criminal) on a new spouse pursuant to Section 6T and to pay us the actual cost as provided in Section 4A(3). A new spouse shall consent to a background check and, subject to the results of the background check, shall become a party to this Agreement, or shall guarantee the obligations of an operating entity franchisee and agree to be bound jointly and severally by all provisions of this Agreement, and in either case you and the new spouse shall sign an agreement in the form we prescribe to accomplish that result. We shall consider any request to remove a former spouse from this Agreement, but we may decline to do so in our business judgment. These obligations shall survive your transfer of this Agreement to an entity for convenience of ownership and shall remain binding on you individually.

H. In addition, if you fail to timely submit to us any of the forms, financial reports, reports, records, information, data, and/or material changes in the information in your franchise application you are required to submit to us as provided above in this Section 10, we shall have the right to collect from you a late reporting fee in the amount of $50 for each and every failure and/or refusal to comply and for each and every repeated failure and/or refusal plus in each event $25 per day, beginning on the third day from the date performance is due, through and including the day the default is cured. Neither your requirement to pay nor our receipt of any late reporting fees shall be deemed to waive or restrict our right to declare a default and terminate this Agreement for your failure and shall otherwise be in addition to any other remedies we may have under this Agreement or otherwise. These fees will be payable within 30 days following your receipt of notice of the fee and we may withdraw the amount from your operating account pursuant to your pre-authorized draft forms as provided in Section 4G.

11. **INSURANCE**.

A. You must purchase and at all times during the terms of this Agreement must maintain in full force and effect, in accordance with the requirements set forth in the Manual, policies of insurance in the amounts we designate, which are currently as set forth below:

Coverage	**Minimum Limits**
Commercial General Liability	$1,000,000 per occurrence/$3,000,000 aggregate
Sexual Abuse & Molestation Liability	$1,000,000 per occurrence/$3,000,000 aggregate
Teachers Professional Liability	$1,000,000 per occurrence/$3,000,000 aggregate
Corporal Punishment Liability	$1,000,000 per occurrence/$3,000,000 aggregate
Umbrella Liability	$10,000,000 per occurrence/$10,000,000 aggregate Umbrella must extend over: • Commercial General Liability • Sexual Abuse & Molestation Liability • Teachers Professional Liability • Corporal Punishment Liability
Property Insurance	Must include "special form" coverage with full replacement value coverage on all assets, including inventory, furniture, fixtures, equipment, supplies and other property (including all outdoor equipment) used in the operation of your School. Property insurance must include business income – actual loss sustained – minimum of 12 months required. Franchisees are encouraged to purchase 24 months. Franchisees with a lease must adhere to the requirements of the lease pertaining to building coverage and/or tenant improvements and betterments. Many property insurance policies will insure outdoor equipment up to a certain limit. If the full replacement value of your outdoor equipment exceeds the limit of your property insurance policy, you will need to secure a standalone Inland Marine Liability insurance policy. "**Inland Marine Liability**" means property insurance that covers outdoor property including, but not limited to, AstroTurf, outdoor fences and netting, outdoor lighting, outdoor pools, court surfaces, radio and television antennas (including satellite dishes), signs, trees, shrubs, plants, lawns, playground surfaces (Pout 'N' Play), basketball hoops, shade structures (attached and standalone), outdoor classrooms, retaining walls, guardrails, and playground equipment.
Workers' Compensation and Employers' Liability	In amounts prescribed by law
Premises Medical Expense	At least $15,000
Employment Practices Liability	In an amount not less than $1,000,000 per occurrence/$1,000,000 aggregate with a Self-Insured Retention of not more than $5,000

Coverage	Minimum Limits
Cyber Liability	$500,000 per occurrence minimum/$1,000,000 aggregate Cyber Liability must include Media Liability coverage. Producers should place a note in the COI description of operations box under Cyber Liability to clarify if Media Liability coverage is afforded under the Cyber Liability Policy. Cyber Liability must also include biometric coverage if your school has a biometric access device.
Media Liability **Only required if Media Liability is not included in Cyber Liability Policy**	$1,000,000 per occurrence/$1,000,000 aggregate
Automobile Liability	$1,000,000 Combined Single Limit for owned, non-owned and hired vehicles
Student Accident and Health Medical Policy	Including: • Accidental Medical Excess Coverage in an amount of at least $250,000 – policy should have a $0 deductible with the first $100 being primary • Accidental Death Coverage in an amount of at least $10,000 • Accidental Dismemberment Coverage in an amount of at least $20,000 • Dental Coverage in an amount of at least $1,000 with a $500 per tooth maximum coverage

All required policies are to be written on an occurrence basis except for Employment Practices Liability, Cyber Liability and Media Liability, which may be written on a claims made basis (except as prescribed by law). All policies, except for Workers' Compensation, must be written on a primary and non-contributory basis and provide a waiver of subrogation for the entities listed below. Primary and non-contributory insurance means that your insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy. A waiver of subrogation is a provision that prohibits insurers from seeking redress from a third party.

The entities below must also be named as additional insureds. All insurance policies shall contain an endorsement which provides that only actual notice to insured, if an individual, or to any executive officer of insured, if a corporation, shall constitute knowledge of the insured.

(1) Goddard Systems, LLC
(2) Goddard Franchisor, LLC
(3) Goddard Holding Guarantor, LLC
(4) Goddard Funding, LLC

B. You or your third party contractor or developer must purchase and maintain in full force and effect, according to the requirements set forth in the Manual, during any construction, renovation or remodeling work on the School premises the following types and amounts of insurance policies, all on an occurrence basis:

(1) For sites that are unoccupied and not immediately adjacent to an occupied site, Commercial General Liability ("**CGL**") in an amount not less than $1,000,000 per occurrence and $1,000,000 aggregate, with an umbrella policy of not less than $2,000,000 per occurrence and $2,000,000 aggregate.

(2) For sites that are occupied or immediately adjacent to an occupied site, CGL in an amount not less than $3,000,000 per occurrence and $3,000,000 aggregate, with an umbrella policy of not less than $5,000,000 per occurrence and $5,000,000 aggregate.

(3) Workers' Compensation and Employers' Liability in amounts prescribed by law covering all personnel working on the construction site.

(4) Builder's Risk/Installation insurance in an amount reasonably satisfactory to us. The Builder's Risk/Installation insurance must, at a minimum, cover a reasonable estimate of the cost of construction or renovation (as applicable).

(5) Job Name and Location with full address must be supplied in the Description of Operations/Locations box on the Certificate of Insurance.

(6) The following entities must be named as an additional insured:

(i) Goddard Systems, LLC
(ii) Goddard Franchisor, LLC
(iii) Goddard Holding Guarantor, LLC
(iv) Goddard Funding, LLC

C. You shall furnish us and all other persons we designate certificates issued by each of your insurers indicating that all required insurance is in full force and effect and that each insurance policy shall not expire or be terminated or changed without giving us written notice at least 30 days in advance. Within five days of our request, you shall deliver to us a copy of all insurance policies for examination.

D. All policies of insurance required by this Section 11 shall cover the School, including any Annex or Satellite Location, if applicable, be in the form and with the coverage amounts as we shall reasonably determine and shall be with companies having a rating of A or better as determined by A.M. Best and Co. or comparable rating by another nationally recognized rating organization. All companies must be licensed in the state the School is located and must be acceptable to us.

The policies shall protect, as named additional insureds, you, us and any other party we designate (except for Workers' Compensation coverage). All insurance policies shall contain an endorsement which provides that only actual notice to insured, if an individual, or to any executive officer of insured, if a corporation, shall constitute knowledge of the insured.

At least 10 days before you begin any construction and when you receive your Certificate of Occupancy (or before the effective date of transfer of the School to you, if applicable), you must furnish us with the required insurance certificates.

You must furnish certificates evidencing the CGL coverage, Builder's Risk/Installation coverage if applicable and also Workers' Compensation and Employers' Liability carried by the applicable employer for all personnel working on the construction site before construction can begin.

E. If you, for any reason, fail to procure or maintain the insurance required by this Agreement, as revised from time to time for all franchisees, in addition to our other rights and remedies under this Agreement at law or in equity, we shall have the right and authority (without, however, any obligation), to procure insurance and to charge the premiums we pay to you, which charges, together with a reasonable fee for our services, including our costs and expenses, in procuring the insurance, shall be paid by you immediately upon notice. We may terminate this Agreement immediately without opportunity to cure under Section 13A(12), whether or not we elect to procure any insurance you are required to maintain.

F. Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 18 of this Agreement.

G. We reserve the right to increase or otherwise modify the minimum coverage requirements described in this Section 11, at any time upon 30 days' written notice to you, and you shall comply with any modifications.

12. **TRANSFERABILITY OF INTEREST**.

A. We shall have the right to transfer or assign all or any part of our rights or obligations in this Agreement to any other person or legal entity.

B. You understand and acknowledge that the rights and duties set forth in the Agreement are personal to you. Accordingly, you shall not sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement, in the franchise (including the transfer by any Owner (as defined in Section 13A(1)) of any interest in any partnership, corporation, limited liability company or other entity that owns this franchise) or in the assets of the School, including any Annex or Satellite Location (collectively referred to sometimes as a "transfer") without our prior written consent. You may not transfer any Annex or Satellite Location separately from the associated School. Any purported transfer, by operation of law or otherwise, not having our written consent shall be null and void and shall constitute a material breach of this Agreement. We will not unreasonably withhold or delay our consent to a transfer, provided that, except in the case of a transfer to a corporation formed solely for the convenience of ownership, our consent will be conditioned on meeting all of the following requirements:

(1) All of your accrued monetary obligations to us and our affiliates and all other outstanding obligations related to the School shall have been satisfied;

(2) The transferor and its owners shall have signed a termination agreement terminating this Agreement, including a general release, in a form satisfactory to us, of us and our subsidiaries and affiliates and our/their respective officers, directors, shareholders and employees in our/their corporate and individual capacities;

(3) The transferee has entered into our then-current form of franchise agreement (together with our form of amendment to franchise agreement required for transfers) and paid all fees required under the transferee's franchise agreement, including the applicable initial license fee; the transferee's franchise agreement with us will have an initial term equal to the initial term then being offered by us to franchisees purchasing a franchise to develop a new School;

(4) The transferee demonstrates to our satisfaction that he or she meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business of the School; and has adequate financial resources and capital to operate the School;

(5) You or the transferee must pay us our then-current background check fee to obtain background checks (including credit and criminal) on the transferee (in the manner described in Section 4A(3)) when we request. The amount is not refundable, whether or not the transfer is effected;

(6) The transferee has satisfied all licensing and other requirements under applicable law and obtains a license to operate a childcare center;

(7) The transferee shall pay us a $25,000 initial training and transfer support fee and the individual we have approved to serve as the transferee's designated on-site opreator and additional individuals named as parties to the Franchise Agreement that the transferee requests or we shall require shall complete all requirements relating to the initial training program then in effect for franchisees to our satisfaction, and any additional training as we deem necessary; provided, however, that we will reduce the initial training and transfer support fee to $15,000 if the transferee is our existing franchisee prior to the effective date of the transfer. We shall have the right to increase the amount of this initial training and transfer support fee 10% per year from the date of this Agreement to the date of any transfer. We shall provide the initial training program delivered through a blend of online coursework, virtual, live sessions and in person training at our corporate offices or at another training site we select in accordance with our then current training program and via virtual and/or in-person one-on-one or small group training. The transferee shall pay for the expenses of all individuals attending incurred during initial training and any additional training, including the cost of food, all transportation and lodging costs for any in-person training portion, for all individuals attending;

(8) You shall pay us a transfer fee of $5,000 to cover administrative, travel, and other expenses in connection with the transfer;

(9) You shall pay us a transfer deposit of $2,500; we will hold this deposit and apply it to pay your obligations if you do not; we will refund any excess remaining 105 days after the closing;

(10) The transferee shall pay us the initial marketing fee then required of buyers of existing Goddard Schools, currently $15,000, or a different amount based on our review of the transferee's proposed plan and assessment of the School's needs;

(11) You have complied to our satisfaction, or you or the transferee agree to comply and have made arrangements satisfactory to us to comply, with all obligations to maintain the School in first class condition and repair and in compliance with the System, including obligations to remodel, refurbish and improve the School as required by this Agreement to conform to our then-current standards and trade dress, including any IT upgrades identified in the IT equipment inventory survey that we require you or the transferee to complete;

(12) You and the transferee shall sign all other documents as we may reasonably require; and

(13) The transferee agrees to adopt and implement the then-current curriculum and education program at the School.

C. You acknowledge that we have legitimate business interests in the approval of any transfer to a party whom we deem capable. Our discussions with and disclosure to the proposed transferee may include our complete file on your School, your entire sales and operations history, information about the market and any other information we deem relevant. Disclosure of this information by us will not, under any circumstances, be deemed to be interference with the proposed transfer or violation of any privacy or nondisclosure obligation to you. We may, but are not obligated to, provide all or any portion of our files on the School to the proposed transferee. You agree that we shall have the right to make available to any proposed transferee our complete file on your School. Other than any disclosure duty imposed by law, however, we have no duty to disclose any information to any proposed transferee. You agree that we will not have any liability to you for any disclosures we make to the proposed transferee. Our review of a proposed transfer requires a significant amount of time; you should not rely on our completion of the process within any certain time period.

D. If the proposed transfer is to a partnership, corporation or limited liability company ("*LLC*") formed solely for the convenience of ownership, our consent to transfer will be conditioned on meeting all of the following requirements:

(1) The transferee partnership, corporation or LLC shall be newly organized and it shall have organizational documents that clearly state that its activities are confined exclusively to the operation of the School.

(2) You shall own 100% of the ownership interest in the transferee partnership, corporation or LLC, and a minority of ownership interests in the transferee partnership, corporation or LLC may be owned by one or more persons who have agreed to guarantee the obligations of the transferee and have agreed to be bound jointly and severally by all provisions of this Agreement.

(3) The articles of incorporation, bylaws, certificate of formation, operating or limited liability company agreement and other organizational documents of the transferee partnership, corporation or LLC, shall recite that the issuance and transfer of any securities is restricted by the terms of this Section.

(4) Each stock certificate or certificate of membership interest shall have conspicuously endorsed upon its face a statement in a form satisfactory to us that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignment by this Agreement. In addition, its organizational documents shall provide that further assignments or transfers are subject to all restrictions imposed upon assignments and transfers in this Agreement.

(5) All of the Owners (as defined in Section 13A(1)), shall guarantee the obligations of the transferee partnership, corporation or LLC under this Agreement and shall be bound jointly and severally by the terms and conditions of this Agreement which shall remain applicable to them, including but not limited to the provisions contained in Section 7 (Proprietary Marks), Section 8 (Confidential Operating Manual), Section 9 (Confidential Information), Section 10 (Accounting and Records), Section 12 (Transferability of Interest), Section 14 (Obligations Upon Termination, Expiration, or Transfer), Section 16 (Covenants), Section 18 (Independent Contractor and Indemnification), Section 23 (Enforcement) and the general provisions, and shall sign an agreement in the form we prescribe confirming that they guarantee the obligations of the transferee partnership, corporation or LLC under this Agreement and continue to be bound jointly and severally by the applicable terms and conditions of this Agreement. Nothing contained in this Agreement shall be deemed to relieve the Owners of any of these obligations. Each person who becomes a shareholder, partner, or member of the franchisee entity or the spouse of a shareholder, partner, or member, during the term of this Agreement, shall also sign an agreement in the form we then prescribe guaranteeing the obligations of the entity under this Agreement and agreeing to be bound jointly and severally by the applicable provisions of this Agreement.

(6) The transferee partnership, corporation or LLC shall agree to be bound by all of the provisions of this Agreement and to assume and discharge all of your obligations hereunder.

(7) You shall provide us with copies of all governing documents of the transferee partnership, corporation or LLC (e.g., partnership agreement, articles of incorporation or organization, bylaws, stock certificates, operating agreement, membership certificates, agreements among the owners, etc.) which must be reasonably satisfactory to us in our sole business judgment; during the term of this Agreement you agree before amending any of these documents or entering into new agreements, including any merger or other transaction which would result in a different partnership, corporation, or LLC succeeding to the rights under this Agreement (even if the ownership of the new entity is the same as the old entity) to provide us with all proposed amendments and new documents for our approval, which we shall not unreasonably withhold or delay.

(8) You shall maintain the partnership, corporation or LLC in good standing in the jurisdiction of its formation, and if applicable, also as a foreign business entity in the state in which the School is located. You shall provide us with evidence of good standing and legal existence within 10 days following any request.

E. Upon the death or permanent incapacity of any person with an interest in this franchise (including any interest in any partnership, corporation, or LLC that owns this franchise), or upon the dissolution of a franchisee that is a partnership, corporation or LLC, the executor, administrator, personal representative or trustee of that person or entity shall transfer his or its interest to a third party approved by us within a reasonable time, which shall not be deemed to exceed 6 months. Transfers under this Section 12E, including transfers by devise or inheritance, shall be subject to the same conditions as any lifetime transfer.

F. Our consent to a transfer of any interest in the franchise granted in this Agreement shall not constitute a waiver of any claims we may have against the transferring party, and may not be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee.

G. We require that the transferee shall be capable of operating the School immediately after the transfer. You may not provide consulting services or otherwise work at the School after the transfer.

H. You represent to us that, except as you have disclosed to us in writing and we have approved in writing in advance, there are no purchase or call options on the ownership interests of any individual signing this Agreement as franchisee regarding this Agreement or the School except upon the death or permanent incapacity of the individual or in connection with a right of first refusal, and that no oral or written agreement among the individual franchisees, articles of incorporation, bylaws, certificate of formation, operating or limited liability company agreement or other organizational documents of any entity to which you may assign this Agreement for convenience of ownership as provided in Section 12D or any other oral or written agreement authorizes one or more individual franchisees to remove another individual franchisee or guarantor from ownership or participation in the School business.

I. You may request in writing our consent to add one or more persons to the Franchise Agreement and/or the Assignment and Assumption Agreement as individual franchisees. If we determine in our sole business judgment that the transaction does not constitute a transfer of the Franchise Agreement, the franchise (including the transfer by any Owner of any interest in a business entity that owns this franchise) or the assets of the School that should be governed by Section 12B above, and we consent to the transaction, you will pay us when you make your request, a non-refundable franchisee add-on fee equal to $10,000, to cover the background check fee for up to two persons and administrative, travel, and other expenses in connection with the transfer. If more than two persons are to be added, you must pay also us our then-current background check fee to obtain background checks (including credit and criminal) on the persons to be added above two whose background check cost is not covered in the franchisee add-on fee (in the manner described in Section 4A(3)) when we request, which we will administer as described in Section 12B(5) above. No credit or refund will be granted against the background check fee for two persons covered in the franchisee add-on fee. To the extent applicable to our decision and due diligence in connection with the addition of the proposed individual franchisees, we may consider and require compliance with certain requirements described above in this Section 12 for a transfer. If we consent to add the proposed individuals franchisees to the Franchise Agreement and/or Assignment and Assumption Agreement, you and the individuals must sign documentation we require. You will pay us the applicable transfer fees if you are removed from the Franchise Agreement and/or the operating entity to which you assigned the Franchise Agreement within two years of the addition of the new individuals.

13. **OUR RIGHT TO TERMINATE**.

A. We may terminate this Agreement and the franchise upon delivery of notice of termination to you upon the occurrence of any of the following events:

(1) You or any shareholder of any corporation, any member of any LLC, partner in a partnership, or owner of any other entity owning an interest in the franchise and their spouse ("Owner") become insolvent, make a general assignment for the benefit of creditors, are adjudicated a bankrupt, suffer temporary or permanent court appointed receivership of substantially all of your property or suffer the filing of a voluntary or involuntary bankruptcy petition, provided that in the case of an involuntary petition, the involuntary petition is not dismissed within 30 days after filing;

(2) You abandon or cease to do business at the School or lose the right to possession of the School, including any Annex or Satellite Location, or prior to opening the School you abandon or cease to diligently pursue construction of the School, or otherwise lose or forfeit the right to do or transact business in the jurisdiction where the School is located; however, if any loss of possession results from the governmental exercise of the power of eminent domain, or if, through no fault of yours, the School is damaged or destroyed by a disaster so that it cannot, in our judgment, reasonably be restored, then this Agreement shall not be terminated for that reason for 90 days thereafter, provided you apply within that time for approval to relocate the School for the remainder of the term of this Agreement, which approval shall not be unreasonably withheld;

(3) Final conviction or plea of guilty or nolo contendere of you, any Owner or any of your officers, of a felony, or a crime involving moral turpitude, or any other crime which in our judgment has affected or may affect the reputation of the School or the goodwill of the Proprietary Marks or indicates unsuitability for childcare, or if you, any Owner or officer engage in dishonest or unethical conduct, conduct involving moral turpitude, or other conduct which, in our judgment has affected or may affect the reputation of the School or the goodwill of the Proprietary Marks or indicates unsuitability for childcare;

(4) If you or any Owner purport to transfer any rights or obligations under this Agreement to any third party without our prior written consent, contrary to the terms of Section 12 of this Agreement;

(5) If you or any Owner fail to comply with the covenants contained in Section 16B, 16C, or 16D of this Agreement;

(6) If you or any Owner disclose or divulge the contents of the Manual or any Confidential Information (as defined in this Agreement) contrary to Sections 8 and 9 of this Agreement;

(7) If an approved transfer is not effected within a reasonable time (which shall not be deemed to exceed 6 months) following your (or any Owner's) death or permanent incapacity as required by Section 12E of this Agreement;

(8) If in our sole business judgment a threat or danger to public health or safety or to the health or safety of the children and/or adults at the School results from the maintenance or operation of the School, including your failure to comply with quality assurance standards;

(9) If we discover that you or any Owner have made any material misrepresentation on or in connection with the application for the franchise or in connection with any matter implicating the health and safety of any person;

(10) On the third failure to comply if you or any Owner fail on two or more occasions within any 12 month period to comply with any one or more provisions of this Agreement, whether or not those prior failures to comply are corrected after notice thereof is delivered to you;

(11) On the second failure to comply if you or any Owner commit the same type of failure to comply within any 12 month period whether or not the prior failure to comply is corrected after notice thereof is delivered to you;

(12) If you, for any reason, fail to procure or maintain the insurance required by this Agreement, as revised from time to time for all franchisees, whether or not we elect to procure any insurance you are required to maintain;

(13) The occurrence of a default, continuing beyond any applicable cure period, under any other agreement (a) between you and us or any of our affiliates (as defined in Section 1C), or (b) between any Owner and us or any of our affiliates, or (c) between any of your affiliates and us or any of our affiliates; it being the understanding and agreement of you and us that this Agreement shall be cross-defaulted with any of these other agreements, so that (i) any default under this Agreement is a default under any other agreement between you, any of your Owners and any of your affiliates on the one hand and us or any of our affiliates on the other hand, and (ii) any default under any other agreement between you, any of your Owners and any of your affiliates on the one hand and us or any of our affiliates on the other hand, will be a default under this Agreement, permitting termination of this Agreement and the other agreements in accordance with any applicable notice and cure provisions;

(14) If you fail to close on the lease or purchase of the premises for the School within 45 days following our signing of this Agreement, or any extension we may have granted in our sole business judgment;

(15) If the ability to continue the operation of the School or the license granted to you under this Agreement, in whole or in part, is frustrated in purpose or materially impaired by any national, federal, state or local law, statute, ruling, ordinance or regulation, or interpretation of any of the above (collectively a "Law"), or by the actions of any civil or military authority purporting to act under any Law, or by acts of God, war or civil disorders, or by the existence or declaration of a pandemic or epidemic or by labor union activity.

B. We shall have the further right to terminate this Agreement and the franchise effective upon delivery of notice to you, if you or any Owner fail to comply with any other provision of this Agreement or any specification, standard, quality assurance standard (other than those presenting a threat or danger which shall be subject to termination without opportunity to cure under Section 13A(8) above) or operating procedure we prescribe pursuant to this Agreement, or if you, any Owner or any of your affiliates fail to comply with the provisions of any other agreement they have with us or any of our affiliates, and you (or any Owners or any or your affiliates) do not correct the failure (i) within seven days if the failure relates to the use of the Proprietary Marks or to a quality assurance standard (other than those that present a threat or danger under Section 13A(8) above), (ii) within 15 days if the failure relates to the payment of money pursuant to this Agreement or any other agreement; (iii) within 60 days if the failure relates to your or any Owner's current or future inability to be present and personally involved in the operation of the School because you or the Owner are not a United States citizen and have received notice from a court or governmental agency that your or the Owner's right to reside in the United States has terminated or will terminate; or (iv) otherwise within 30 days; in each case after written notice of the failure to comply (which shall describe the action that you must take to correct same) is given to you.

C. Without limiting our rights under this Agreement, we shall have the right to terminate this Agreement and the franchise effective upon delivery of notice to you, (i) if a license necessary to operate another Goddard School owned and operated by you, any Owners or any of your affiliates, is terminated or revoked, and/or (ii) another Goddard School owned and operated by you, any Owner or any of your affiliates closes due to violations of the applicable Franchise Agreement or applicable local, state, or federal laws, rules, regulations, ordinances, standards, directives, or licensing requirements, and the license is not reinstated and/or the other Goddard School is not lawfully reopened by you, an Owner or your affiliate, within 30 days of the license termination or revocation or Goddard School closure.

14. **OBLIGATIONS UPON TERMINATION, EXPIRATION, OR TRANSFER**.

Upon termination, expiration, or transfer of this Agreement:

A. You and all Owners shall immediately cease to operate the School, including any Annex or Satellite Location, and shall not thereafter, directly or indirectly, represent to the public or hold yourselves or themselves out as one of our present or former franchisees.

B. You and all Owners shall immediately and permanently cease to use, by marketing or in any manner whatsoever, any equipment, confidential methods, procedures and techniques associated with the System; the trade and service mark "*The Goddard School*", and any other Proprietary Marks and distinctive forms, slogans, signs, symbols, or devices associated with the System. In particular, you shall cease to use all signs, equipment, advertising materials, marketing materials, stationery, forms and any other articles which display the Proprietary Marks associated with the System and shall remove all signs from the School premises.

C. You shall take all actions as may be necessary to cancel any assumed name or equivalent registration which contains the name "*The Goddard School*" or any other service mark or trademark of ours.

D. You shall (except in the case of a transfer), make all modifications or alterations to the premises operated hereunder (including ceasing all use of the telephone numbers used in connection with the School) immediately upon termination or expiration of this Agreement as may be necessary to prevent the operation of any childcare business at the premises of the School either by you or others in derogation of this Section 14, unless we elect to lease the premises, in which case you shall at our direction take all steps necessary to allow us to assume the lease or enter into a lease, as the case may be, and shall immediately vacate the premises. In addition, you shall make any specific changes to the School's premises as we or our designees may reasonably request to protect the Proprietary Marks and to de-identify the School. If you fail to make the modifications, we shall have the right to re-enter the premises and make the modifications or alterations to the premises; you shall reimburse us for our costs plus a reasonable fee for our services.

E. You shall promptly pay all sums owing to us and our subsidiaries and affiliates.

F. You shall promptly pay all sums owing to the landlord of the premises and to third party vendors and suppliers, including the local telephone company, for all charges and fees incurred in connection with your business and the operation of the School.

G. You shall immediately turn over to us or at our direction, to the transferee or another person, all manuals, including the Manual, records, files, instructions, correspondence, and all other materials related to operating the franchised business including brochures, agreements and any other materials in your possession relating to the operation of the School.

H. At our request, you will transfer to us (or other party we designate), at your cost, all telephone numbers, directory listings, facsimile numbers, Internet numbers, domain names and e-mail addresses in use or owned by you on the date of termination, and inform any business directory of the transfer. As between you and us, we have the sole rights to and interest in all telephone numbers we secured for you, directory listings, facsimile numbers, Internet numbers, domain names and e-mail addresses associated with the School and the Proprietary Marks. You will promptly cancel and discontinue use of the telephone numbers, directory listings, facsimile numbers, Internet numbers, domain names and e-mail addresses which served the School at the time of termination or expiration and delete your listing in any business directory for the area of the School's location, including directories on the Internet. You will de-install any of our proprietary software and allow us access to your computer system for removal of customer and other data files. You hereby constitute and irrevocably appoint us, pursuant to the terms of this Franchise Agreement, with full power of substitution and revocation by us, as your true and lawful attorney-in-fact, to the full extent permitted by law to cancel, terminate, assign, discontinue or take any and all lawful action with respect to all telephone, facsimile, Internet numbers, domain names and e-mail addresses which serve the School, including, without limitation, the power to take the steps as, in our opinion, may be necessary to delete your listing or marketing in the Yellow Pages and any other directories and to terminate any other listing which indicates that you are or were affiliated with System. You will indemnify and hold harmless each telephone company, directory publisher, Internet provider and other person or entity against all costs, damages, attorneys' fees, expenses and liabilities which may be incurred or sustained in connection with or as a result of any action taken in reliance on the foregoing power of attorney.

I. You and all Owners shall comply with the covenants contained in Section 16 of this Agreement.

J. Except as limited by applicable law, you shall sign a termination agreement, in a form satisfactory to us, including a general release under seal of any and all claims you may have against us, and our subsidiaries and affiliates and our/their respective officers, directors, managers, members, shareholders, partners and employees in our/their corporate and individual capacities.

K. Notwithstanding anything in this Section 14, if you or an affiliate operate a Goddard School under another effective Franchise Agreement with us, you and/or your affiliate may hold yourself out as a franchisee of the System and use the System and the Proprietary Marks as permitted under the other Franchise Agreement but only with respect to the other Goddard School.

L. If we and you agree to limit the term of operation of any Annex or Satellite Location, and your right to operate any Annex or Satellite Location terminates or expires prior to termination or expiration of this Agreement regarding the associated School, then the provisions of this Section 14 shall apply to the Annex or Satellite Location, as applicable, or shall not affect your rights under this Agreement regarding the operation of the associated School.

15. **OPTIONS TO PURCHASE ASSETS AND LEASE PROPERTY**.

A. Option to Purchase Assets.

(1) Upon termination or expiration of this Agreement, including with respect only to any Annex or Satellite Location, regardless of the reason, we shall have the right, but not the obligation, for 60 days starting on the date of termination or expiration, to purchase the assets of the School (or applicable Annex or Satellite Location) and obtain an assignment of the lease for the

premises. You may not offer to sell or otherwise transfer the assets or to assign the lease to a third party without first having offered these rights to us.

(2) The purchase price for the assets shall be their fair market value exclusive of any goodwill. We may exclude from the purchased assets, any furniture, fixtures, equipment, signs, products or supplies that do not meet our then current quality or performance standards for Goddard Schools. If the parties cannot agree on the fair market value within a reasonable time, each party will select an independent appraiser. The appraised fair market value as determined by the appraisers shall be binding. If the appraisers cannot agree on the fair market value, they in turn will select a third independent appraiser. The fair market value will be the average of all three appraisals and will be binding on the parties. We and you will each pay for our respective appraisers and share the cost of any third appraiser.

(3) The purchase price shall be paid in cash at the closing of the purchase, which shall take place no later than 60 days after you receive our notice that we are exercising this option. At the closing, you shall deliver to us, in a form satisfactory to us, good and merchantable title to the assets purchased, free and clear of any encumbrances and all licenses or permits which may be assigned or transferred. You shall be responsible for all sales and other transfer taxes. We shall have the right to set-off against the purchase price all amounts owed by you to us or our subsidiaries or affiliates.

B. Option to Lease School Premises.

We will have the right to exercise an option to lease the premises of the School, including any Annex or Satellite Location, on termination or (if you lease the premises) expiration of this Agreement, including with respect only to any Annex or Satellite Location, pursuant to either (i) the collateral assignment of lease and landlord's consent, in forms that we require, if you lease the premises on the date of termination or expiration; or (ii) the Option to Lease Agreement and Right of First Refusal, if you own or if an entity affiliated with you owns the premises on the date of termination. You may not offer to lease, sublease or assign the lease of the premises of the School without first having offered these rights to us.

C. Right of First Refusal.

If you or a business entity affiliated with you owns the premises of the School, including any Annex or Satellite Location, and wish to sell or otherwise transfer any ownership interest in the premises during the term of this Agreement, we will have a right of first refusal to purchase the premises pursuant to the Option to Lease Agreement and Right of First Refusal. You or your affiliate may not sell any interest in the premises of the School without first complying with the terms of the Option to Lease Agreement and Right of First Refusal, except transfers to an entity for convenience of ownership, a transfer to an affiliate, an heir, trustee or mortgagee.

16. **COVENANTS**.

A. You covenant that, during the term of this Agreement: (1) the designated on-site operator shall devote full time, energy and efforts to the management and operation of the School to satisfy and honor your obligations under this Agreement; (2) the School shall at all times be under the management of the designated on-site operator and the direction of qualified, director(s) trained by us whose credentials shall be satisfactory to us and whose identity you shall disclose to us immediately upon appointment or upon any change of your director(s); and (3) you shall require all employees and individuals conducting the day-to-day management and operation of the School to attend and complete to our satisfaction all requirements related to the initial training program described in Section 6F. You must have one full-time director qualified and trained by us, and any additional full-time directors we may deem appropriate from time to time in our sole business judgment.

B. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you shall not directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, association, corporation, limited liability company or other entity:

(1) Divert or attempt to divert any business or customer of the business franchised under this Agreement to any competitor, by direct or indirect inducement or otherwise.

(2) Own, maintain, engage in, be employed by, lease real estate to, consult with or assist in any way, finance, or have any interest in any other child daycare or preschool learning center or business (other than a Goddard School for which you are a franchisee under an effective Franchise Agreement with us).

C. You covenant that for a period of three years after the expiration, transfer or termination of this Agreement, regardless of the cause of termination, or after the date on which you cease to operate the School following the expiration, transfer or termination of this Agreement, whichever is later, you shall not either directly or indirectly, for yourself or through, on behalf of, or in conjunction with any other person, persons, partnership, association, corporation, limited liability company or other entity:

(1) Divert or attempt to divert any business or customer of the business franchised under this Agreement to any competitor, by direct or indirect inducement or otherwise.

(2) Own, maintain, engage in, be employed by, lease real estate to, consult with or assist in any way, finance, or have any interest in any child daycare or preschool learning center or business (other than a Goddard School for which you are a franchisee under an effective Franchise Agreement with us) at the premises of the School or within a radius of 10 miles of the School or any existing or proposed Goddard School.

D. You will use best and continuing efforts during the term of this Agreement, including during the construction and pre-opening phases, to promote and develop the business of the School. In consideration of the substantial value to you to use the System and to receive disclosure of the System, including the Proprietary Marks, the Manual and the Confidential Information, and in recognition of our ownership rights to the System, in addition to the other restrictions in this Agreement and under applicable law, you covenant that during the term of this Agreement and at any time after the expiration, transfer or termination of this Agreement, regardless of the cause of any termination, you shall not do or perform any act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

E. We shall have the right, in our sole business judgment, to reduce the scope of any covenant set forth in Sections 16B, 16C and 16D of this Agreement, or any portion thereof, without your consent, effective immediately upon your receipt of written notice of that fact, and you agree to comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 21 of this Agreement.

F. If any court or other tribunal having jurisdiction to determine the validity or enforceability of this Section determines that it would be invalid or unenforceable as written, then the provisions of this Section shall be deemed to be modified to the extent or in the manner as necessary for those provisions to be valid and enforceable to the greatest extent possible.

G. The above provisions of this Section shall not prohibit your operation of another franchise which we grant to you or your ownership of less than a 5% beneficial interest of the outstanding equity securities of any publicly held entity.

H. If any individuals who originally signed this Agreement as franchisee or were added as individuals subject to this Agreement apply to be a franchisee for a different School separately from all or any of the other individuals then subject to this Agreement, we may, but we are not required to, inform all of the other individuals then subject to this Agreement of the application. We may make any decision on the application for a different School as we deem appropriate in our sole business judgment, including for reasons related to your School governed under this Agreement, and do not require the approval of any of the other individuals on this Agreement to grant our approval.

17. **<u>TAXES AND COMPLIANCE WITH LAWS</u>**.

A. You shall prepare and file when due all appropriate tax returns for taxes levied or assessed on you or on the School business by any federal, state or local tax authority and pay when due all taxes due on these returns. You shall pay when due any and all indebtedness incurred by you in the conduct of the School business as required pursuant to Section 6K.

B. You shall comply with all applicable federal, state and local laws, rules and regulations, and shall timely obtain and maintain, as required, any and all permits, certificates or licenses necessary for the full and proper conduct of the business franchised hereunder, including licenses to do business, fictitious name registrations and sales tax permit clearance.

C. To the extent that you collect "personal information" (or equivalent term or phrase as defined by applicable law) of an individual ("Personal Information") whether from us or an individual, you shall not and are specifically prohibited from (a) retaining, using, or disclosing the Personal Information for any purpose other than the specific purpose of providing childcare services at the School during the term of this Agreement or for business purposes otherwise expressly permitted or authorized by us (including retaining, using, or disclosing the Personal Information for a commercial purpose other than providing childcare services at the School during the term of this Agreement); (b) selling or otherwise transferring Personal Information; (c) using Personal Information you receive from a current, former, or prospective student, customer, employee of yours, other person, or business you service or interact with (e.g., as to employees of the business) for the purpose of providing services to another; and (d) re-identifying any Personal Information that has been de-identified. You are required to comply with all obligations under applicable law with respect to your processing of Personal Information. You shall provide at least the level of privacy protection to Personal Information as required under applicable law. We have the right to take reasonable and appropriate steps to evaluate whether you are using and protecting Personal Information as required under applicable law and this agreement. You must promptly notify us if you no longer can protect the Personal Information consistent with applicable law.

D. From time to time you may receive requests from individuals seeking to exercise their rights under applicable law, including a right to access, correct, delete, or stop selling or sharing their Personal Information ("PI Request"). You shall follow the procedures set forth in the Use of Personal Information Standard, which may be amended from time to time, in the Manual. For purposes of applicable law, you agree that there is no sale of Personal Information involved in our grant of the franchise to you or your operation of the School. For the avoidance of doubt, we do not provide Personal Information to you for any valuable consideration. You certify to us that you understand these requirements and will comply with them.

E. You must establish, adopt, maintain and comply with appropriate internal security measures, privacy policies and procedures (the "Protection Measures") with regard to physical documents, computers and other technology, information and data in order to protect Personal Information and information you receive in connection with providing childcare services and operating the School ("Protected Data") against unauthorized disclosure and access and accidental or unlawful destruction, loss or alteration. The Protection Measures must provide a level of security appropriate to the risk based on the processing and nature of the Protected Data to be protected and be in accordance with all applicable law. The Security Measures should address security policy; organization of information security; asset management; human resources security; physical and environment security; communications and operations management; access control; information systems acquisition, development, and maintenance; information security incident management; business continuity management; personnel training; and compliance (collectively, "Organizational Measures"). We recommend you review your Organizational Measures at least annually. The Security Measures and your security practices must meet any requirements of our approved vendors or suppliers that transmit, receive or otherwise handle Protected Data. You must ensure all other business partners, vendors and suppliers that you provide Protected Data to or who otherwise handle Protected Data are bound by the obligations set forth in this Section and have Protection Measures and security practices in place.

F. If you engage a third party supplier we approve to provide services to you or you sub-contract the performance of services you are required to perform to a third-party that involves granting access to the third party to our network, systems, applications, websites, or sensitive business or Personal Information, you agree to contractually bind the third-party to the same data protection, confidentiality, non-disclosure, and acceptable use language that you agreed to in this Agreement, including as applicable, the requirements in this Section 17.

18. **INDEPENDENT CONTRACTOR AND INDEMNIFICATION**.

A. This Agreement does not create a fiduciary relationship between us. You shall operate the School as an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose, and you covenant not to assert otherwise in any forum. Although you must comply with this Agreement and the System, you will have full and complete control of the manner in which you comply and full and complete control of the day-to-day operation of the School and your business policies and practices. The parties acknowledge and agree that the creation of the above described relationship and the parties' respective ability to perform and to be legally recognized as such during the term of this Agreement is part of the essence and a principal purpose of this Agreement.

B. You shall conspicuously identify yourself at the location of the School and in all dealings with parents, employees, contractors, suppliers, public officials and others of the public or private sphere, as an independent contractor operating the business pursuant to a license from us and shall place such other notices of independent ownership on such forms, stationery, marketing and other materials as we or any of our affiliates may require from time to time. All contracts, checks, paychecks or other payment notices for the School's operations and services will be in your legal name. You will not enter into or sign any contracts, checks, paychecks or other payment notices in our or our affiliates' names or using the Proprietary Marks or any acronyms or variations of the Proprietary Marks. You will disclose in all dealings with parents, employees, contractors, suppliers, public officials and others of the public or private sphere that you are an independent entity and that neither we nor our affiliates have any liability for your debts.

C. Nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our or our affiliates' behalf, or incur any debt or other obligation in our or our affiliates' names, and neither we nor our affiliates shall in any event assume liability for, or be deemed liable as a result of any act or omission by you in your conduct of the School or any claim or judgment against us or any of our affiliates. You shall indemnify and hold us and our affiliates and our and our affiliates' respective officers, directors, managers, members, partners, shareholders, independent contractors and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with your ownership, operation or occupation of the School, as well as all costs, including attorneys' fees, of defending against them. We or our affiliates shall have the right to control all litigation against us or any other indemnified party or involving the Proprietary Marks, and to defend and/or settle any such claim affecting our or our affiliates' interests, in any manner we or they deem appropriate. Without affecting your duty to defend and indemnify us and our affiliates as set forth above, we or our affiliates may also elect to retain our or their own counsel at your cost to represent us or other indemnified parties. Our or our affiliates' exercise of control over the litigation shall not affect our or our affiliates' rights to indemnification under this Section 18C. Your obligations under this section shall survive the expiration, termination or transfer of this Agreement.

19. **APPROVALS AND WAIVERS**.

A. Whenever this Agreement requires our approval or consent, you shall make a timely written request to us beforehand, and you must obtain that approval or consent in writing.

B. We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you, by providing any waiver, approval, consent or suggestion to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request for any waiver, approval, consent or suggestion.

C. No failure on our part to exercise any power reserved to us by this Agreement, or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of our right to demand exact compliance with any of its terms. Our acceptance of any late payments due under this Agreement shall not be deemed to be a waiver of any breach by you of any terms, covenants or conditions of this Agreement.

20. **NOTICES**.

Any notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by registered or certified mail, return receipt requested, or sent by overnight courier or email to the respective parties at the address listed on the signature page of this Agreement unless a different address has been designated in writing by the other party. Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing. Notices by personal delivery, overnight courier or email shall be effective upon the earlier of the date of delivery of such notice, or the date after the same was sent. In addition, we may elect to provide any information we are required to or desire to communicate to you solely through our website(s) and/or intranets or other electronic means, including email, without any need to provide you with a paper copy or other physical format. You shall provide us with your current home address, email address and other contact information, as required under Section 10G, at all times.

21. **ENTIRE AGREEMENT**.

This Agreement and any amendments and attachments constitute the complete and integrated agreement between you and us concerning the subject matter of this Agreement and supersede all prior agreements; no other representations have induced you to sign this Agreement except that you may rely on our representations in the most recent Franchise Disclosure Document (the "FDD") we delivered to you, including its exhibits and any amendments, in connection with this Agreement. No representations, promises or agreements, oral or otherwise, not appearing in or attached to this Agreement or in the FDD were made by any party and none shall have any effect with reference to this Agreement. No change in this Agreement shall be binding on either party unless it is mutually agreed to in writing.

22. **SEVERABILITY AND CONSTRUCTION**.

A. Except as expressly provided to the contrary in this Agreement, each section, part, term and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term and/or provision herein is determined by a court or agency having valid jurisdiction to be invalid and contrary to, or in conflict with, any applicable law or regulation, such determination shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement as may remain otherwise enforceable, and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid sections, parts, terms and/or provisions shall be deemed not to be part of this Agreement.

B. If any applicable law or rule of a jurisdiction requires a greater notice of the termination of or election not to renew this Agreement, or the taking of some other action with respect to the termination or election not to renew than is required in this Agreement, and the jurisdictional requirements of the law or rule are otherwise met, the notice or other action required by such law or rule shall be substituted for the notice or other action required in this Agreement.

C. Nothing in this Agreement is intended, or shall be deemed, to confer upon any person or legal entity other than you or us or our respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement.

D. All captions in the Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision.

E. All references to gender and number shall be construed to include any other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations made in this Agreement or undertaken by you shall be deemed jointly and severally undertaken by all parties (other than us) to this Agreement on your behalf. No change in marital or other legal status between any of the parties to this Agreement shall alter or limit that joint and several liability without our express written release, which release may be withheld in our sole business judgment.

F. This Agreement may be signed in counterparts; each signed copy shall be deemed an original and all of which, together, shall constitute the same instrument. Electronic or facsimile signing and delivery of this Agreement is legal and binding for all purposes. We may require that your signatures on any document submitted to us be notarized. Any person executing this Agreement on behalf of a business entity represents and warrants that he/she is duly authorized to bind the business entity.

G. The BACKGROUND Section at the beginning of this Agreement contains contractual terms that are not mere recitals.

H. As provided in Section 1A, except where distinctions are specifically noted or the context may require, references to the "School" include the School you develop at the location stated in Section 1A (or any location to which the School may be relocated in accordance with this Agreement), and if applicable, together with any approved Annex or Satellite Location. In some instances in this Agreement, a reference to the School including any approved Annex or Satellite Location has been added for emphasis, however the absence of the reference is not meant to diminish the intended broader definition of the term "School."

I. You understand and acknowledge that we may delegate the performance of any or all of our obligations under this Agreement, and the right to exercise any of our rights under this Agreement, to an affiliate, manager, agent, independent contractor, or other third party designee. However, we will remain responsible for ensuring that such obligations are performed in accordance with the terms of this Agreement.

23. **ENFORCEMENT**.

A. This Agreement takes effect when accepted and signed by us in Pennsylvania. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement shall be construed under the laws of the Commonwealth of Pennsylvania and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the Commonwealth of Pennsylvania, which laws shall prevail in the event of any conflict of law. If we move our corporate headquarters, notwithstanding Section 21, we shall have the option of determining that the substantive law of the state to which we move will replace all references to Pennsylvania law in this Franchise Agreement, or of continuing to have Pennsylvania law apply. If we choose to have the law of the new state apply, we will so notify all franchisees within six months of our move, and the chosen law will apply to all franchisees; except that any franchise registration or disclosure law or any franchise relationship law of the new state will only apply where the jurisdictional requirements of the law are otherwise met.

B. You acknowledge that you have and will continue to develop a substantial and continuing relationship with us at our offices in the Commonwealth of Pennsylvania, where our decision-making authority is vested and franchise operations are conducted and supervised. Except for our right to obtain injunctive relief in any appropriate forum, any action arising out of or relating to this Agreement shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in the Commonwealth of Pennsylvania for the district or county in which our headquarters are then located. You irrevocably submit to the jurisdiction of these courts, waive any objection you may have to either the jurisdiction or venue of these courts and agree not to argue that these courts are inconvenient forums. If we move our corporate headquarters, you acknowledge that you will have a substantial and continuing relationship with us in the state to which we move and that any references to Pennsylvania in this paragraph will be deemed to be references to the new state and the district or county in which our headquarters are then located.

C. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

D. Nothing herein contained shall bar our right to obtain injunctive relief against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

E. In any action to enforce or defend our rights under this Agreement, we shall be entitled to recover, in addition to any other recovery, attorneys' fees, court costs and expenses of litigation.

F. **YOU MAY SEEK DAMAGES OR ANY REMEDY UNDER LAW OR EQUITY ONLY AGAINST OUR BUSINESS ENTITY. OUR AFFILIATES AND OUR/THEIR RESPECTIVE OFFICERS, DIRECTORS, MANAGERS, MEMBERS, LIMITED PARTNERS, GENERAL PARTNERS, SHAREHOLDERS, INDEPENDENT CONTRACTORS AND EMPLOYEES WILL NOT BE LIABLE AND MAY NOT BE NAMED AS A PARTY AND WILL NOT BE LIABLE IN ANY PROCEEDING COMMENCED BY YOU IF YOUR CLAIM OR CAUSE OF ACTION ARISES OUT OF OR RELATES TO THIS AGREEMENT.**

G. **A COURT MAY AWARD INJUNCTIVE RELIEF AS WELL AS DAMAGES, BUT WILL HAVE NO AUTHORITY TO AWARD PUNITIVE OR EXEMPLARY OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH ANY CLAIMS OR CAUSES OF ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT.**

H. **WE AND YOU, RESPECTIVELY, WAIVE ANY RIGHT WE OR YOU MIGHT HAVE TO TRIAL BY JURY ON ANY AND ALL CLAIMS ASSERTED AGAINST THE OTHER. WE AND YOU, RESPECTIVELY, EACH ACKNOWLEDGE THAT WE AND YOU, RESPECTIVELY, HAVE HAD A FULL OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL CONCERNING THIS WAIVER, AND THAT THIS WAIVER IS INFORMED, VOLUNTARY, INTENTIONAL AND NOT THE RESULT OF UNEQUAL BARGAINING POWER.**

I. **YOU AGREE TO LITIGATE EACH DISPUTE WITH US ON AN INDIVIDUAL BASIS. YOU WILL NOT CONSOLIDATE ANY DISPUTE WITH A CLAIM OF ANY OTHER FRANCHISEE, INDIVIDUAL, OR ENTITY, AND YOU WILL NOT PURSUE ANY CLASS CLAIMS IN ANY MEDIATION, ARBITRATION, OR LITIGATION FORUM IN CONNECTION WITH ANY CLAIMS OR CAUSES OF ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT.**

J. YOU ACKNOWLEDGE THAT YOU WOULD NOT SIGN THIS FRANCHISE AGREEMENT IF YOU DID NOT AGREE TO BE BOUND BY ITS TERMS.

K. **YOU ACKNOWLEDGE AND AGREE THAT THIS AGREEMENT IS NOT EFFECTIVE UNTIL SIGNED BY US, AND THAT WE WILL NOT SIGN THIS DOCUMENT UNTIL WE HAVE RECEIVED ALL REQUIRED ITEMS, INCLUDING ANY PAYMENTS DUE.**

24. **NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES.**

The following provision applies only to franchisees and franchises that are subject to state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgment signed or agreed to by you 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 us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.

[Signature Page Follows]

Intending to be legally bound, the parties have signed this Franchise Agreement as of the date first above written.

FRANCHISEE:

____
Name:
Address:
Email:

____
Name:
Address:
Email:

____
Name:
Address:
Email:

____
Name:
Address:
Email:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107
notices@goddardsystems.com

By:_________________________________

Title:_____________________________

EXHIBIT C-2(a)
DRAFT AUTHORIZATION

Goddard Franchisor LLC
&
TGS Marketing Fund, LLC
1016 West Ninth Avenue
King of Prussia, PA 19406

AUTOMATIC DEBIT AUTHORIZATION FORM

The undersigned franchisee depositor ("**Depositor**"), intending to be legally bound, hereby (1)) represents that he/she has the authority to bind the Depositor associated with the School (identified below) and is an authorized signer on the account listed below; (2) authorizes Goddard Franchisor LLC or its affiliates ("**GFL**") to initiate debit entries to the undersigned's account indicated below and (3) authorizes the depository bank designated below ("**Depository**") to debit such account on a monthly basis or pursuant to GFL's written instructions. The entries will be made for any and all amounts payable by Depositor or its affiliate to GFL or its affiliates under the Franchise Agreement between Depositor and GFL or otherwise. This authority is to remain in full force and effect until Depository has received written notification from GFL of the termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it.

Depository/Bank Branch

City State Zip Code

_________________________________ _________________________________
Bank Transit/ABA Number Account Number

Type of Account: ___ Checking ___ Savings

_________________________________ _________________________________
Authorized Name School Name and Number

FRANCHISEE/DEPOSITOR

____
Name:
Authorized Signer on Behalf of Franchisee/Depositor
and Authorized Signer on the Above Account

Address:

<u>EXHIBIT C-3</u>

DEVELOPMENT AGREEMENT

GODDARD FRANCHISOR LLC
DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "**Agreement**"), made and entered into this ___ day of _________ 20__, between Goddard Franchisor LLC, a Delaware limited liability company, with its principal offices at 1016 West Ninth Avenue, King of Prussia, Pennsylvania 19406-3107 ("**Goddard**") and the undersigned developer.

BACKGROUND

A. Goddard Franchisor LLC is referred to in this Agreement as Goddard. The undersigned developer is referred to as "**Developer**."

B. Goddard, its affiliates, and Goddard's predecessors have expended substantial resources to develop a system (the "**System**") for the establishment, development and operation of preschools ("**Goddard Schools**" or "**Goddard School**") for children, now known as The Goddard School. The System includes Goddard Confidential Operating Manual (the "**Manual**"), other proprietary information and compilations, proprietary marks, trade dress, design, décor, image, lay-out, know-how, trade secrets, procedures, standards, specifications, equipment, market analysis, procurement of students, sales and merchandising methods, quality assurance standards, training of franchisees and Goddard personnel, marketing techniques, record keeping and business management which may be changed, improved and further developed by Goddard from time to time.

C. Goddard licenses the use of the trademark and service mark, "**The Goddard School**", and other identifying marks, and symbols as may now or hereinafter be designated as part of the System (the "**Proprietary Marks**"). Goddard intends to further develop and use and the Proprietary Marks to Goddard's services and standards of quality and service to the public.

D. Developer has applied to obtain certain development rights to operate a certain number of The Goddard Schools under the System, to be identified with the Proprietary Marks in the territory described in this Agreement.

E. Goddard has approved Developer's application for development rights in reliance on all of the representations made in Developer's application.

F. **GODDARD AND DEVELOPER HAVE AGREED TO WAIVE PUNITIVE OR EXEMPLARY OR CONSEQUENTIAL DAMAGES AS PROVIDED IN SECTION 16G. GODDARD AND DEVELOPER HAVE ALSO AGREED TO WAIVE ANY RIGHT TO TRIAL BY JURY, AS PROVIDED IN SECTION 16H AND DEVELOPER HAS AGREED TO WAIVE ANY RIGHT TO PURSUE ANY CLASS CLAIMS, AS PROVIDED IN SECTION 16I.**

AGREEMENT

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth in this Agreement and for other valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties mutually agree as follows:

1. **APPOINTMENT**

A. Goddard hereby grants to Developer, pursuant to the terms and conditions of this Agreement, the development rights, and Developer hereby undertakes the obligation, to establish and operate ________ The Goddard School learning centers under the Proprietary Marks and the System ("**Franchised Businesses**"), and to use the System solely in connection therewith, at specific locations to be designated in separate Goddard Franchise Agreements (the "**Franchise Agreements**") executed by Developer as provided in Section I.E. or 3.A., and pursuant to the development schedule set forth in Exhibit "A" (the "**Development Schedule**") attached to this Agreement. Each Franchised Business developed under this Agreement shall be located in the area described in Exhibit "A" (the "**Development Area**").

B. Each Franchised Business developed under this Agreement shall be established and operated pursuant to a separate Franchise Agreement entered into between Developer and Goddard in accordance with Section 3.A. hereof.

C. Except as otherwise provided in this Agreement, during the term of this Agreement, Goddard shall not establish or operate, nor license any party other than Developer to establish or operate, any The Goddard Schools under the System and the Proprietary Marks in the Development Area. Goddard reserves all other rights within and outside of the Development Area.

D. This Agreement is not a franchise agreement, and does not grant to Developer any right to use in any manner Goddard's Proprietary Marks or System. Developer shall have no right under this Agreement to license others to use in any manner the Proprietary Marks or System.

E. Developer and Goddard acknowledge and agree that, during the term of this Agreement:

(1) Goddard shall have the right to identify, consider and approve proposed locations within the Development Area as suitable for the operation of a The Goddard School, independent of Developer (a "**Goddard Site**") on the terms and conditions described in this Section 1.E.

(2) In the event that Goddard either itself identifies or receives an acceptable proposal from a third party with respect to a Goddard Site during the term of this Agreement, Developer, if (1) in substantial compliance with the terms and conditions of this Agreement (including, without limitation, the Development Schedule), all Franchise Agreements executed under this Agreement, and any other Franchise Agreements between Developer or any of its principals and Goddard and (2) then possessing adequate financial, operational and managerial resources to operate another Franchised Business at the Goddard Site, as determined by Goddard in its sole and absolute discretion, shall have a right of first refusal to enter into a franchise agreement with Goddard to establish and operate a Franchised Business at the Goddard Site. Within fifteen (15) business days of Goddard's approval of a Goddard Site or approval of an acceptable proposal from a third party with respect to a Goddard Site, which approval shall be deemed granted upon Goddard's completion of the Notice of Goddard Site Approval Form

attached hereto as Exhibit "B", Goddard shall provide Developer with notice of the existence of the Goddard Site, including a copy of the completed Notice of Goddard Site Approval Form and a copy of Goddard's then-current Franchise Disclosure Document ("**FDD**").

(3) In the event that Developer subsequently elects to purchase and establish a Franchised Business at the Goddard Site, Developer must exercise its right of first refusal by (a) notifying Goddard of its election to execute Goddard's then-current form of Franchise Agreement within seven (7) days of Developer's receipt of the completed Notice of Goddard Site Approval Form from Goddard; (b) executing and delivering to Goddard Goddard's then-current form of Franchise Agreement within thirty (30) calendar days of Developer's election to purchase, but in no event sooner than sixteen (16) calendar days after Developer's receipt from Goddard of the FDD and Franchise Agreement for the Franchised Business at the Goddard Site; and (c) securing a letter of intent on a lease or purchase for the site within thirty (30) calendar days after exercising its right of first refusal. Goddard agrees that the amount of the initial license fee and the continuing monthly franchise fee percentage payable under such then-current Franchise Agreement shall not exceed the amount of the initial license fee and the continuing monthly franchise fee percentage payable under the Franchise Agreement attached to this Agreement as Exhibit "C". Goddard and Developer specifically agree, however, that with the exception of the initial license fee and continuing monthly franchise fees, the Goddard Franchise Agreement current at the time Developer exercises its right of first refusal may contain materially different terms, including the Franchisee's advertising contributions, from the Franchise Agreement attached as Exhibit "C". Developer shall promptly establish and open such Franchised Business within the Development Area and pursuant to the Development Schedule set forth in Exhibit "A." Except as otherwise provided in this Section 1.E., Developer's development of the Franchised Business at the Goddard Site shall be pursuant to the terms and conditions of Section 3 of this Agreement, including, without limitation, the time(s) and manner for payment of all fees, payments and deposits by Developer to Goddard.

(4) In the event Developer does not exercise its right of first refusal as described in this Section 1.E., Goddard and its affiliates shall have the right during the term of this Agreement to (1) use the System and the Proprietary Marks for the establishment and operation of a corporate or affiliate-owned The Goddard School at the Goddard Site in the Development Area or (2) license a third party franchisee to use the System and the Proprietary Marks for the establishment and operation of a The Goddard School at the Goddard Site in the Development Area, and such third party franchisee shall have the right to establish and operate a The Goddard School at the Goddard Site in the Development Area.

(5) Developer's election not to exercise its right of first refusal with respect to any Goddard Site in the Development Area shall not affect Developer's right of first refusal as to any subsequent Goddard Site developed and approved by Goddard during the term of this Agreement.

(6) Any The Goddard School established by Goddard, its affiliates or a third party during the term of this Agreement pursuant to the terms of this Section 1.E. and any territorial protection provided under the franchise agreement executed by Goddard, its affiliate or a third party in conjunction therewith shall be excluded from the Development Area.

2. DEVELOPMENT FEE

A. In consideration of the development rights granted in this Agreement, Developer shall pay to Goddard, upon execution of this Agreement, a development fee of Sixty Thousand Dollars ($60,000) for each Franchised Business (the "**Development Fee**"), receipt of which is acknowledged by Goddard, and which, shall be deemed fully earned and non-refundable upon execution of this Agreement in consideration of the administrative and other expenses incurred by Goddard and for the development opportunities lost or deferred as a result of the rights granted Developer in this Agreement.

B. Goddard shall credit Fifty Thousand Dollars ($50,000) of the Development Fee against the applicable initial license fee payable under each of the ____________ Franchise Agreements to be executed under this Agreement. Developer acknowledges and agrees that in the event Developer enters into any Franchise Agreements after the ____________ Franchise Agreements contemplated under this Agreement, the future initial license fee may be more than the current initial license fee.

3. DEVELOPMENT OBLIGATIONS

A. In exercising its development rights and fulfilling its development obligations under this Agreement, Developer shall execute a Franchise Agreement for each Franchised Business at a site approved by Goddard in the Development Area as hereinafter provided. The current form of Franchise Agreement now being offered for new The Goddard Schools, generally, by Goddard is attached as Exhibit "C". The Franchise Agreement for each Franchised Business developed under this Agreement shall be the form of Franchise Agreement being offered for new The Goddard Schools, generally, by Goddard at the time each Franchise Agreement is executed, the terms of which agreement may be materially different from the Franchise Agreement attached as Exhibit "C". Goddard agrees that the amount of the initial license fee and the continuing monthly franchise fee percentage payable under such then-current Franchise Agreement shall not exceed the amount of the initial license fee and the continuing monthly franchise fee percentage payable under the Franchise Agreement attached to this Agreement as Exhibit "C". Goddard and Developer specifically agree, however, that with the exception of the initial license fee and continuing monthly franchise fees, the Goddard Franchise Agreement current at the time Developer exercises its right of first refusal may contain materially different terms, including the Franchisee's advertising contributions, from the Franchise Agreement attached as Exhibit "C". The Franchise Agreement for each Franchised Business shall be executed by Developer and submitted to Goddard within thirty (30) calendar days of Developer's receipt of Goddard's notice that it has accepted the proposed site, as provided in Section 3.B. hereof, but in no event sooner than sixteen (16) calendar days after Developer's receipt from Goddard of Goddard's then-current Franchise Disclosure Document and Franchise Agreement. Except as provided in Section 2.B. hereof, Developer shall pay to Goddard for each Franchised Business developed under this Agreement all of Goddard's then-current initial fees, initial training assistance fees, site development fees, background check fees, and other payments, deposits, and fees at the time(s) and in the manner set forth in the Franchise Agreement for such Franchised Business.

B. Developer shall use all reasonable efforts to seek and select proposed sites within the Development Area suitable for the operation of the Franchised Businesses. Prior to Developer's acquisition by lease or purchase of any site for a Franchised Business, Developer shall submit to Goddard, in the form specified by Goddard, the description of the proposed site and such information or materials as Goddard may reasonably require, together with a letter of intent or other evidence satisfactory to Goddard which confirms Developer's favorable prospects for obtaining the proposed site. Goddard shall have sixty (60) days after receipt of the description of the proposed site and other information and materials from Developer to accept or reject, in writing, the proposed site for development as a Franchised Business. In the event Goddard accepts a proposed site, Goddard will provide the Developer with a copy of Goddard's then-current Franchise Disclosure Document and proposed Franchise Agreement concurrently with the written notice of approval. In the event Goddard does not reject a proposed site by written notice to Developer within such sixty (60) days, such site shall be deemed rejected by Goddard.

C. If Developer will occupy the premises at which a Franchised Business is operated under a lease, Developer shall, prior to the execution thereof: (1) execute a collateral assignment of Developer's lease, in a form prescribed. by Goddard, to secure Developer's obligations to Goddard under the Franchise Agreement for such Franchised Business and (2) submit such lease to Goddard for its written approval. Goddard's approval of the lease may be conditioned upon the inclusion in the lease of such provisions as Goddard may reasonably require, including, without limitation:

(1) The premises shall only be used for the operation of the Franchised Business;

(2) The premises, or any part thereof, may not be assigned or sublet except as a condition of the sale of the Franchised Business, which must be approved by Goddard;

(3) Goddard shall have the right to enter the premises to inspect and make any modifications deemed necessary to protect the Proprietary Marks; and

(4) Goddard shall have the right, at Goddard's election, to receive an assignment of the lease upon the termination of the Franchise Agreement executed pursuant to this Agreement for the operation of the Franchised Business at the premises.

D. Developer shall promptly submit to Goddard the information developed at Developer's expense that Goddard requests concerning any site and lease proposed by Developer for Goddard's approval under this Agreement at any time as Goddard may request.

E. Except as otherwise provided in Section 5.A. of this Agreement, Developer acknowledges and agrees that Developer is responsible for locating and securing sites acceptable to Goddard and for negotiating leases for the sites acceptable to Goddard. Goddard shall not unreasonably withhold acceptance of a site that meets its standards for general location and neighborhood, traffic patterns, size, layout and other physical characteristics, rental, lease terms including duration, and general conditions for use as a The Goddard School. Goddard's acceptance of a site shall not constitute a judgment as to the likelihood of success of the Franchised Business at such location or a judgment as to the relative desirability of such location in comparison to other locations within the Development Area.

F. Recognizing that time is of the essence, Developer agrees to have open and in operation in the Development Area the number of Franchised Businesses by the dates described in the Development Schedule and Section 1.A. of this Agreement. If Developer fails to have open and in operation the number of Franchised Businesses in the Development Area described in the Development Schedule by the respective dates set forth in the Development Schedule or if Developer is in default under any Franchise Agreement executed by Developer, Goddard shall have the right, upon written notice to Developer describing the action which Goddard has elected to take, to do one or more of the following:

(1) To terminate the territorial protection granted under Section 1.C., and Goddard shall have the right to establish and operate, and license others to establish and operate, The Goddard Schools within the Development Area;

(2) To terminate the right of first refusal granted in Section 1.E.; or

(3) To terminate this Agreement.

4. TERM

Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all rights granted hereunder shall expire on the earlier of: (1) the last date specified in the Development Schedule; or (2) the date when Developer has open and in operation all of the Franchised Businesses required by the Development Schedule.

5. DUTIES OF THE PARTIES

A. For each Franchised Business developed hereunder, Goddard agrees to:

(1) Provide Developer with such site selection and township approval process consultation as Goddard may deem advisable; and

(2) Expend such time and effort and to incur such expense as may reasonably be required in Goddard's sole business judgment to inspect sites submitted by Developer and

B. Developer accepts the following obligations:

(1) Developer shall comply with all requirements of federal, state, and local laws, rules, and regulations.

(2) Developer shall comply with all of the terms, conditions and obligations of Developer under this Agreement.

6. CONFIDENTIAL INFORMATION

Developer shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation, any trade secrets or confidential information, knowledge, or know-how concerning the methods of development, site selection, or any other proprietary method of Goddard which may be communicated or disclosed to Developer, or of which Developer may be appraised, by virtue of Developer's operation under the terms of this Agreement. Developer shall divulge such trade secrets and confidential information only to such of its employees as must have access to it in order to perform Developer's development obligations and duties under this Agreement. Developer shall require all employees to whom such information is divulged to execute a Confidentiality Agreement in a form prescribed by Goddard.

7. TRANSFERABILITY OF INTEREST

A. Goddard shall have the right to transfer or assign all or any part of its rights **or** obligations herein to any other person or legal entity without notice to or consent from Developer.

B. Developer understands and acknowledges that the rights and duties set forth in the Agreement are personal to Developer. Accordingly, Developer shall not sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement or in Developer or in substantially all of the assets of Developer without the prior written consent of Goddard. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Goddard shall be null and void and shall constitute a material breach of this Agreement. Goddard shall not unreasonably withhold its consent to transfer of any interest in this Agreement or in Developer or in substantially all of the assets of Developer; provided, however, that prior to the time of transfer, Goddard may, in its sole discretion, except in the case of a transfer to a partnership, corporation or limited liability company formed solely for the convenience of ownership, require that:

(1) All of Developer's accrued monetary obligations to Goddard and all other outstanding obligations related to the terms and conditions under this Agreement shall have been satisfied;

(2) The transferor and its owner shall have executed a general release under seal, in a form satisfactory to Goddard, of any and all claims against Goddard and its officers, directors, shareholders and employees, in their corporate and individual capacities;

(3) The transferee has entered into a written assignment in a form satisfactory to Goddard, assuming and agreeing to discharge all of Developer's obligations under the Development Agreement;

(4) The transferee and its owners shall demonstrate to Goddard's satisfaction that they meet Goddard's educational, managerial and business standards; possess a good moral character, business reputation and credit rating; have the aptitude and ability to conduct the business of Developer and operate The Goddard School; and have adequate financial resources and capital to operate as Developer;

(5) The transferee and its owners have satisfied all licensing and other requirements under applicable state law;

(6) Transferor and transferee shall execute such other documents as may be reasonably required by Goddard;

(7) The transfer shall include the sale or transfer of all of Developer's Franchised Businesses then owned by Developer.

C. In the event the proposed transfer is to a partnership, corporation or limited liability company formed solely for the convenience of ownership, Goddard's consent to such transfer may, in its sole discretion, be conditioned on the following requirements:

(1) The transferee partnership, corporation or limited liability company shall be newly organized and shall have organizational documents that clearly state that its activities are confined exclusively to the operation of the business conducted hereunder;

(2) The transferor(s) shall own 100% of the ownership interest in the transferee partnership, corporation or limited liability company provided a minority of ownership interests in the transferee partnership may be owned by one or more persons who have agreed to guarantee the obligations of the transferee and have agreed to be bound jointly and severally by all provisions of this Agreement.

(3) The articles of incorporation, bylaws, certificate of formation, operating or limited liability agreement and other organizational documents of the transferee partnership, corporation or limited liability company shall recite that the issuance and transfer of any securities is restricted by the terms of this Section.

(4) Each stock certificate or certificate of membership interest shall have conspicuously endorsed upon its face a statement in a form satisfactory to Goddard that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignment by this Agreement. In addition, its organizational documents shall provide that further assignments or transfers are subject to all restrictions imposed upon assignments and transfers in this Agreement.

(5) All of the owners of the transferee partnership, corporation or limited liability company shall guarantee the obligations of the transferee partnership, corporation or limited liability company under this Agreement and shall be bound jointly and severally by the terms and conditions of this Agreement which shall remain applicable to them, including but not limited to the provisions contained in Section 6 (Confidential Information), Section 7 (Transferability of Interest), Section 9 (Covenants), Section 11 (Independent Contractor and Indemnification), Section 16 (Enforcement) and the general provisions, and shall sign an agreement in the form prescribed by Goddard confirming that they guarantee the obligations of the transferee partnership, corporation or limited liability company under this Agreement and continue to be jointly and severally bound by the applicable terms and conditions of this Agreement. Nothing contained in this Agreement shall be deemed to relieve the transferor(s) of any of these obligations. Each person who becomes a shareholder, partner, or member of the franchise entity, during the term of this Agreement, shall also sign an agreement in a form prescribed by Goddard guaranteeing the obligations of the entity under this Agreement and agreeing to bound jointly and severally by the applicable provisions of this Agreement.

(6) The transferee partnership, corporation or partnership shall agree to be bound by all of the provisions of this Agreement and to assume and discharge all of Developer's obligations hereunder.

(7) The transferee partnership, corporation or limited liability company shall provide Goddard with all of its governing documents (e.g., partnership agreement, articles of incorporation or organization, bylaws, stock certificates, operating agreement, membership certificates, agreement among the owners, etc.) which must be reasonably satisfactory to Goddard in its sole judgement; during the term of this Agreement, the transferee partnership, corporation or limited liability company , before amending any of these documents or entering into new agreements, including any merger or other transaction, which would result in a different partnership, corporation or limited liability company succeeding to the rights under this Agreement (even if the ownership of the new entity is the same as the old entity), must provide Goddard with all proposed amendments and new documents for Goddard's approval, which Goddard shall not unreasonably withhold or delay.

(8) The transferee partnership, corporation or limited liability company shall be maintained in good standing in the jurisdiction of its formation, and if applicable, also as a foreign business entity in the state in which the business is operated. The transferee partnership, corporation or limited liability company shall provide us with evidence of good standing and legal existence within 10 days following any request.

D. In the event of a proposed transfer, Developer agrees that Goddard shall have the right to make available to the transferee its complete file on Developer.

E. Upon the death or permanent incapacity of any person with an interest in Developer or upon the dissolution of Developer as a partnership or corporation or limited liability company, the executor, administrator, personal representative or trustee of that person or entity shall transfer his or its interest to a third party approved by Goddard within a reasonable period of time, which shall not exceed 6 months. Transfers under this Section E, including by devise and inheritance, shall be subject to the same conditions as any lifetime transfer.

F. Goddard's consent to a transfer of any interest in the rights granted in this Agreement shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Goddard's right to demand exact compliance with any of the terms of this Agreement by the transferee.

G. Developer represents to Goddard that, except as Developer has disclosed to Goddard in writing and Goddard has approved in writing in advance, there are no purchase or call options on the ownership interests of any individual signing this Agreement as Developer except upon the death or permanent incapacity of the individual or in connection with a right of first refusal, and that no oral or written agreement among the individuals signing this Agreement as Developer, articles of incorporation, bylaws, certificate of formation, operating or limited liability company agreement or other organizational documents of any entity to which Developer may assign this Agreement for convenience of ownership as provided in Section 7.C or any other oral or written agreement authorizes one or more individual franchisees to remove another individual franchisee or guarantor from ownership or participation in Developer's business.

H. Developer may request in writing its consent to add one or more persons to the Development Agreement or to the owners of Developer. If Goddard determines in its sole business judgment that the transaction does not constitute, or is deemed by Goddard to not constitute, a transfer of the Development Agreement, the Developer (including the transfer by any owner of any interest in a business entity that owns the business) or the assets of Developer that should be governed by Section 7.B above, and Goddard consents to the transaction, Developer will pay Goddard when Developer makes its request, a non-refundable add-on fee equal to $10,000, to cover the background check fee for up to two persons and administrative and other expenses in connection with the add-on. If more than two persons are to be added, Developer must also pay Goddard's then-current background check fee to obtain background checks (including credit and criminal) on those additional persons. No credit or refund will be granted against the background check fee for two persons covered in the $10,000 add-on fee. To the extent applicable to Goddard's decision and due diligence in connection with the addition of the proposed individual developers, Goddard may consider and require compliance with certain requirements described above in this Section 5 for a transfer. If Goddard consents to add the proposed individual developers to the Development Agreement or in the ownership of Developer, Developer and the individuals must sign documentation Goddard requires.

8. TERMINATION OF AGREEMENT

A. Except as otherwise provided herein, Goddard may terminate this Agreement and all rights granted in this Agreement to Developer upon delivery of notice of termination to Developer upon the occurrence of any of the following events:

(1) Developer or any shareholder of any corporation, any member of any limited liability company, partner in a partnership, or owner of any other entity owning an interest in the Developer or their spouse becomes insolvent, makes a general assignment for the benefit of creditors, is adjudicated a bankrupt, suffers temporary or permanent court appointed receivership of substantially all of its property or suffers the filing of a voluntary or involuntary bankruptcy petition, provided in the case of an involuntary petition is not dismissed within thirty (30) days after filing;

(2) Developer abandons or ceases to do business, or otherwise forfeits the right to do or transact business in the jurisdiction where the Development Area is located;

(3) Final conviction, or plea of guilty or nolo contendere, of Developer or any of its owners of a felony, or a crime involving moral turpitude, or any other crime which in Goddard's judgment has affected or may affect the reputation of Developer's business or the goodwill of the Proprietary Marks or Developer or any of it owners or any of its officers, engages in conduct which, in the judgment of Goddard, has or may affect the goodwill of the Proprietary Marks.

(4) If Developer or any of its owners purports to transfer any rights or obligations under this Agreement to any third party without Goddard's prior written consent, contrary to the terms of Section 7 of this Agreement;

(5) If Developer of any of its owners fails to comply with the covenants contained in Section 9 hereof;

(6) If Developer or any of its owners discloses or divulges trade secret or confidential information provided to Developer by Goddard contrary to Section 6 hereof;

(7) If an approved transfer is not effected within a reasonable time following Developer's or an owner's (of Developer) death or permanent incapacity as required by Section 7.E. hereof;

(8) If in Goddard's sole business judgement, a threat or danger to public health or safety results from the maintenance or operation of the Developer' business or any of the Franchised Businesses;

(9) If Goddard discovers that Developer or any of its owners have made any material misrepresentation on or in connection with his application for the development rights granted herein or in connection with any matter implicating the health and safety of any person;

(10) If Developer or any of its owners fails on two (2) or more occasions within any 12 month period to comply with any one or more provisions of this Agreement, whether or not such failures to comply are corrected after notice thereof is delivered to Developer.

B. If Developer fails to comply with or to perform any of the other terms, conditions or obligations of (1) this Agreement, or (2) any Franchise Agreement or any other agreement between Developer or any of its affiliates and Goddard or its affiliates, such failure or action shall constitute a default under this Agreement. If such default is the result of Developer's failure to comply with or to perform any of the other terms, conditions or obligations of this Agreement, Goddard shall have the right to terminate this Agreement and all rights granted hereunder without. affording Developer any opportunity to cure the default, effective immediately upon receipt by Developer of written notice of termination. If such default is the result of Developer's failure to comply with the terms, conditions or obligations of any Franchise Agreement or any other agreement between Developer or any of its affiliates and Goddard or its affiliates and the Franchise Agreement or other agreement with which Developer has failed to comply provides for notice and an opportunity to cure such default or non-performance, Developer shall be given notice and an opportunity to cure such default or non-performance according to the terms of the applicable Franchise Agreement or other agreement under which the default has occurred. In the event such default or non-performance is not cured within the period provided by the applicable Franchise Agreement or other agreement under which the default has occurred, Goddard shall have the right to terminate this Agreement and all rights granted hereunder without affording Developer any further opportunity to cure the default, effective immediately upon receipt by Developer of written notice of termination.

C. Upon termination of this Agreement by Goddard, including pursuant to 3.F. hereof, or upon expiration of this Agreement, Developer shall have no right to establish or operate any Franchised Businesses for which a Franchise Agreement has not been executed by Goddard at the time of termination. Goddard shall have the right to establish and operate, and to license others to establish and operate, The Goddard Schools under the System and the Proprietary Marks in the

Development Area, except as may be otherwise provided under any Franchise Agreement which has been executed between Goddard and Developer.

D. No default under this Development Agreement shall constitute a default under any Franchise Agreement between the parties to this Agreement. Default under this Development Agreement shall constitute default under any other Development Agreement between the parties hereto.

E. No right or remedy herein conferred upon or reserved to Goddard is exclusive of any other right or remedy provided or permitted by law or equity.

9. **COVENANTS**

A. Developer covenants that, during the term of this Agreement, Developer and its owners shall devote sufficient time, energy and efforts to the management and operation of Developer's business hereunder to satisfy and honor their obligations under this Agreement. Developer's business hereunder shall at all times be under the operation of Developer or a qualified principal of Developer whose identity shall at all times be disclosed to Goddard.

B. Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Goddard, Developer shall not directly or indirectly, for himself, or through, on behalf of, or in conjunction with any person, persons, partnership, association, corporation or limited liability company:

(1) Divert or attempt to divert any business or customer of the business operated under this Agreement to any competitor, by direct or indirect inducement or otherwise.

(2) Own, maintain, engage in, be employed by, lease real estate to, consult with or assist in any way, finance, or have any interest in any other child daycare or pre-school learning center or business (other than a Goddard School for which Developer is a franchisee under an effective Franchise Agreement with Goddard).

C. Developer covenants that for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, or after the date upon which Developer ceases to operate the business operated under this Agreement following termination or expiration of this Agreement, whichever is later, Developer shall not either directly or indirectly, for itself or through, on behalf of, or in conjunction with any other person, persons, partnership, Association, corporation or limited liability company:

(1) Divert or attempt to divert any business or customer of the business operated by Developer hereunder to any competitor, by direct or indirect inducement or otherwise or do or perform any act injurious or prejudicial to the goodwill associated with the Proprietary Marks or System.

(2) Own, maintain, engage in, be employed by, lease real estate to, consult with or assist in any way, finance or have any interest in any child daycare or pre-school learning center or business (other than a Goddard School for which Developer is a franchisee under an effective Franchise Agreement with Goddard), within:

(a) the Development Area; or

(b) a radius of ten (10) miles of the Development Area.

D. Developer understands and acknowledges that Goddard shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Section 9.B and C in this Agreement, or any portion hereof, without Developer's consent, effective immediately upon written notice to Developer, and Developer agrees that it shall immediately comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 14 hereof.

E. If any court having jurisdiction to determine the validity or enforceability of this Section 9 determines that it would be invalid or unenforceable as written, then the provisions shall be deemed to be modified to such extent or in such manner as necessary for such provisions to be valid and enforceable to the greatest extent possible.

F. The provisions of this Section 9 shall not apply to the ownership by Developer of less than a five percent (5%) beneficial interest of the outstanding equity securities in any publicly held corporation.

10. TAXES, PERMITS AND INDEBTEDNESS

A. Developer shall promptly pay when due all taxes levied or assessed by any federal, state or local tax authority, and any and all indebtedness incurred by Developer in the conduct of the business granted hereunder.

B. Developer shall comply with all federal, state and local laws, rules and regulations, and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the business granted hereunder, including, without limitation, licenses to do business, fictitious name registrations and sales tax permit clearance.

C. Developer shall notify Goddard in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, or of any claims against Developer which may adversely affect the operational or financial condition of the Developer or the reputation of Developer or The Goddard School.

11. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Developer shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever, and Developer covenants not to assert otherwise in any forum. Although Developer must comply with this Agreement, Developer will have full and complete control of the manner in which Developer complies, and full and complete control of the day-to-day operation of Developer's business and business policies and practices. The parties acknowledge and agree that the creation of the above described relationship and the parties' respective ability to perform and to be legally recognized as such during the term of this Agreement is part of the essence and a principal purpose of this Agreement.

B. During the term of this Agreement and any extensions, Developer expressly agrees to hold itself out to the public as an independent contractor operating the business pursuant to an agreement with Goddard. Developer agrees to take such affirmative action as may be necessary to do so, including without limitation, exhibiting a notice of that fact in a conspicuous place in the Developer's business premises, the content of which Goddard reserves the right to specify. All contracts, checks, paychecks or other payment notices will be in Developer's legal name. It is understood and agreed that nothing in this Agreement authorizes Developer to make any contract, agreement, warranty or representation on Goddard's behalf or on behalf of its affiliates, or to incur any debt or other obligation in Goddard's name, and that Goddard shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Developer in the conduct of its business or any claim or judgment arising therefrom against Goddard. Developer shall indemnify and hold Goddard harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with Developer's operation of its business, as well as the cost, including attorney's fees, of defending against them.

12. APPROVALS AND WAIVERS

A. Whenever this Agreement requires the prior approval or consent of Goddard, Developer shall make a timely written request for such approval to Goddard therefor, and such approval or consent shall be obtained in writing from an authorized Goddard representative.

B. Goddard makes no warranties or guarantees upon which Developer may rely, and assumes no liability or obligation to Developer by providing any waiver, approval, consent or suggestion to Developer in connection with this Agreement, or by reason of any neglect, delay or denial of any request from Developer.

C. No failure of Goddard to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Developer with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Goddard's right to demand exact compliance with any of the terms under this Agreement. Subsequent acceptance by Goddard of any payment due to it under this Agreement shall not be deemed to be a waiver by Goddard of any preceding breach by Developer of any terms, covenants or conditions of this Agreement.

13. NOTICES

Any notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by registered or certified mail, return receipt requested, or sent by overnight courier or email, to the respective parties at the address listed on the signature page of this Agreement unless and until a different address has been designated in writing to the other party.

Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing. Notices by personal delivery, overnight courier or email shall be effective upon the earlier of the date of delivery of such notice, or the date after the same was sent. In addition, Goddard may elect to provide any information it is required to or desire to communicate to Developer solely through Goddard's website(s) and or intranet or other electronic means, including email, without a need to provide Developer with a paper copy or other physical format. Developer shall provide Goddard with Developer's current home address, email address and other contact information, as required at all times.

14. ENTIRE AGREEMENT

This Agreement and any amendments and attachments constitute the entire, full and complete Agreement between Goddard and Developer concerning the subject matter of this Agreement, and supersede all prior agreements, no other representations having induced Developer to sign this Agreement except that Developer may rely on Goddard's representations in the most recent FDD delivered to Developer, including its exhibits and any amendments in connection with this Agreement. No representations, promises or agreements, oral or otherwise, not appearing in this or attached to this Agreement or the FDD were made by any party, and none shall have any effect with reference to this Agreement. No change in this Agreement shall be binding on either party unless it is mutually agreed to by the parties in writing.

15. SEVERABILITY AND CONSTRUCTION

A. Except as expressly provided w the contrary in this Agreement, each section, part, term and/or provision of this Agreement shall be considered severable; and if, of any reason, any section, part, term and/or provision herein is determined by a court or agency having valid jurisdiction to be invalid and contrary to, or in conflict with, any applicable law or regulation, such determination shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement as may remain otherwise enforceable and the latter shall be given full force and effect and bind the parties hereto; and said invalid sections, parts, terms and/or provisions shall be deemed not to be a part of this Agreement.

B. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of, or election not to renew this Agreement, or the taking of some other action with respect to the termination or election not to renew than is required in this Agreement, and the jurisdictional requirements of the law or rule are otherwise met, the notice or other action required by such law or rule shall be substituted for the notice or other action required in this Agreement.

C. Nothing in this Agreement is intended or shall be deemed, to confer upon any person or legal entity other than Goddard or Developer and or their respective permitted successors and assigns any rights or remedies under or by reason of this Agreement. All captions in the Agreement are intended solely for the convenience of the parties, and shall not be deemed to affect the meaning or construction of any provision in this Agreement.

D. All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of a provision.

E. All references to gender and number shall be construed to include any other gender and number as the context may require, and all acknowledgements, promises, covenants, agreements and obligations made in this Agreement or undertaken by Developer shall be deemed jointly and severally undertaken by all parties (other than Goddard) to this Agreement on behalf of

Developer. No change in marital or other legal status between any of the parties to this Agreement shall alter or limit that joint and several liability without express written release, which release may be withheld in Goddard's sole business judgment.

F. The Agreement may be signed in counterparts, each signed copy shall be deemed an original, and all of which, together, shall constitute the same instrument. Electronic or facsimile signing and delivery of this Agreement is legal and binding for all purposes. Goddard may require that Developer's signature on any document submitted to Goddard be notarized. Any person executing this Agreement on behalf of a business entity represents and warrants that he/she is duly authorized to bind the business entity.

G. The BACKGROUND Section at the beginning of this Agreement contain contractual terms that are not mere recitals.

H. Developer understands and acknowledges that Goddard may delegate the performance of any or all of its obligations under this Agreement, and the right to exercise any of Goddard's rights under this Agreement, to an affiliate, manager, agent independent contractor, or other third party designee. However, Goddard will remain responsible for ensuring that such obligations are performed in accordance with the terms of this Agreement.

16. **ENFORCEMENT**

A. This Agreement takes effect when accepted and signed by Goddard in Pennsylvania. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement shall be interpreted and construed under the laws of the Commonwealth of Pennsylvania and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the Commonwealth of Pennsylvania, which laws shall prevail in the event of any conflict of law. If Goddard moves its corporate headquarters, Goddard shall have the option of determining that the substantive law of the state to which it moves will replace all references to Pennsylvania law in this Agreement, or that it will continue to have Pennsylvania law apply. If Goddard chooses to have the law of the new state apply, Goddard will notify Developer within six (6) months of the move, and the chosen law will apply to all parties affected; except that any franchise registration or disclosure law or any franchise relationship law of the new state will only apply where the jurisdictional requirements of the law are otherwise met.

B. Developer acknowledges that it has and will continue to develop a substantial and continuing relationship with Goddard at its principal offices in the Commonwealth of Pennsylvania, where Goddard's decision-making authority is vested and franchise operations are conducted and supervised. Except for Goddard's right to obtain injunctive relief in any appropriate forum, any action arising out of or relating to this Agreement shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in the Commonwealth of Pennsylvania for the district or county in which Goddard's headquarters are then located. Developer irrevocably submits to the jurisdiction of these courts, and waives any objection it may have- to either the jurisdiction or venue of these courts and agrees not to argue that these courts are inconvenient forums. If Goddard moves its corporate headquarters, Developer acknowledges that it will have a substantial and continuing relationship with Goddard in the state to which it moves and that at Goddard's option as described in Section 16.A above, any references to Pennsylvania in this Section will be deemed to be references to the new state and the district or county in which Goddard's headquarters are then located.

C. No right or remedy conferred upon or reserved to Goddard or Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or provided or permitted by law or equity, but each shall be cumulative of every other right or remedy.

D. Nothing in this Agreement shall bar Goddard's right to obtain injunctive 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 injunctions.

E. In any action to enforce or defend Goddard's rights under this Agreement, Goddard shall be entitled to recover, in addition to any other remedy, attorney's fees, investigation and experts fees together with court costs and expenses of litigation.

F. DEVELOPER MAY SEEK DAMAGES OR ANY REMEDY UNDER LAW OR EQUITY ONLY AGAINST GODDARD'S BUSINESS ENTITY. GODDARD'S AFFILIATES AND GODDARD'S/THEIR RESPECTIVE OFFICERS, DIRECTORS, MANAGERS, MEMBERS, LIMITED PARTNERS, GENERAL PARTNERS, SHAREHOLDERS, INDEPENDENT CONTRACTORS AND EMPLOYEES WILL NOT BE LIABLE AND MAY NOT BE NAMED AS A PARTY AND WILL NOT BE LIABLE IN ANY PROCEEDING COMMENCED BY DEVELOPER IF DEVELOPER'S CLAIM OR CAUSE OF ACTION ARISES OUT OF OR RELATES TO THIS AGREEMENT.

G. A COURT MAY AWARD INJUNCTIVE RELIEF AS WELL AS DAMAGES, BUT WILL HAVE NO AUTHORITY TO AWARD PUNITIVE OR EXEMPLARY OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH ANY CLAIMS OR CAUSES OF ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT.

H. GODDARD AND DEVELOPER, RESPECTIVELY, WAIVE ANY RIGHT GODDARD OR DEVELOPER MIGHT HAVE TO TRIAL BY JURY ON ANY AND ALL CLAIMS ASSERTED AGAINST THE OTHER. GODDARD AND DEVELOPER, RESPECTIVELY, EACH ACKNOWLEDGE THAT GODDARD AND DEVELOPER, RESPECTIVELY, HAVE HAD A FULL OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL CONCERNING THIS WAIVER, AND THAT THIS WAIVER IS INFORMED, VOLUNTARY, INTENTIONAL AND NOT THE RESULT OF UNEQUAL BARGAINING POWER.

I. DEVELOPER AGREE TO LITIGATE EACH DISPUTE WITH GODDARD ON AN INDIVIDUAL BASIS. DEVELOPER WILL NOT CONSOLIDATE ANY DISPUTE WITH A CLAIM OF ANY OTHER DEVELOPER OR GODDARD FRANCHISEE, INDIVIDUAL, OR ENTITY, AND DEVELOPER WILL NOT PURSUE ANY CLASS CLAIMS IN ANY MEDIATION, ARBITRATION, OR LITIGATION FORUM IN CONNECTION WITH ANY CLAIMS OR CAUSES OF ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT.

J. DEVELOPER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT IS NOT EFFECTIVE UNTIL SIGNED BY GODDARD, AND THAT GODDARD WILL NOT SIGN THIS DOCUMENT UNTIL GODDARD HAS RECEIVED ALL REQUIRED ITEMS, INCLUDING ANY PAYMENTS DUE.

17. NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgment signed or agreed to by Developer 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 us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.

Intending to be legally bound, the parties have duly executed, sealed and delivered this Agreement on this ______ day of ____________. 20__.

DEVELOPER:	**GODDARD FRANCHISOR LLC** **1016 West Ninth Avenue** **King of Prussia, PA 19406-3107** notices@goddardsystems.com
______________________________________ Name: Address: Email:	
______________________________________ Name: Address: Email:	By:___________________________________ Title:______________________________
______________________________________ Name: Address: Email:	
______________________________________ Name: Address: Email:	

GODDARD FRANCHISOR LLC
DEVELOPMENT AGREEMENT

EXHIBIT "A"

DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE

1. Each Goddard School developed under this Development Agreement shall be located in the following area:

2. Recognizing that time is of the essence, Developer agrees to satisfy the development schedule set forth below:

BY (Date)	Cumulative Total Number of Franchised Businesses Which Developer Shall Have Open and in Operation
	1
	2
	3

GODDARD FRANCHISOR LLC
DEVELOPMENT AGREEMENT

EXHIBIT "B"

NOTICE OF GODDARD SITE APPROVAL FORM

Location of Goddard Site in Development Area:

____

____

____

Name of Proposed Lessor or Seller

____

____

____

Lease or Sale Terms Being Offered to Developer

____

____

____

GODDARD FRANCHISOR LLC

By:_________________________________

Name:______________________________

Title:_______________________________

Date:_______________________________

GODDARD FRANCHISOR LLC
DEVELOPMENT AGREEMENT

EXHIBIT "C"

FRANCHISE AGREEMENT

The form of Franchise Agreement currently offered by Goddard Franchisor LLC is attached

EXHIBIT C-4

PURCHASE ORDERS

PURCHASE ORDER #1

DATE OF ORDER	SHIP	VIA	TERMS	F.O.B.	SHIPPING DATE

SOLD TO: SHIP TO:

(“*FRANCHISEE*”) (“*SCHOOL*”)

Equipment as per attached lists (the “*EQUIPMENT*”) - State and local sales and use taxes, shipping charges and permits will be in addition to the total price. Installation included for outdoor equipment only.

TOTAL PRICE 10,500 – 12,500 sq. ft. building $214,000 - $259,000

TERMS AND CONDITIONS

A. On behalf of and as a convenience to FRANCHISEE, Goddard Franchisor LLC (“*GFL*”) or its designee agrees to order the EQUIPMENT from the vendor(s) and to advance funds on behalf of FRANCHISEE. FRANCHISEE agrees to reimburse GFL or its designee, as applicable, for the full cost of all EQUIPMENT ordered, which may include (1) different or additional items reflecting availability, a change to GFL’s standards, or other reasons; (2) taxes; and/or (3) shipping or delivery charges or fuel surcharges. Full payment to GFL or its designee, as applicable, shall be due and payable immediately upon FRANCHISEE’s receipt of the Opening Invoice (as set forth in FRANCHISEE’s Franchise Agreement).

B. The EQUIPMENT will be delivered to and installed at the SCHOOL within a reasonable time after the FRANCHISEE has obtained possession of the premises for the SCHOOL. FRANCHISEE agrees to ensure that all applicable insurance policies are in effect by the date of delivery and installation. FRANCHISEE agrees to release GFL and its designee from any and all liability arising from the delivery or installation of the EQUIPMENT at the SCHOOL.

C. The vendor(s) of the EQUIPMENT are solely responsible for the manufacture, delivery and installation of the EQUIPMENT, as well as for any warranty or guaranty on any EQUIPMENT. GFL’s or its designee’s approval or designation of a product or service or of a vendor or supplier, and GFL’s or its designee’s agreement to advance funds on behalf of FRANCHISEE do not constitute GFL’s or its designee’s guaranty or warranty of the product or service or of the vendor or supplier. Neither GFL nor its designee are resellers of the EQUIPMENT and neither GFL nor its designee are responsible for any aspect of the EQUIPMENT, including but not limited to defects.

D. Total price quoted above does not include state and local sales and use taxes, shipping charges, or permits, which shall be paid by FRANCHISEE. Installation included for outdoor equipment only.

ACCEPTED AND AGREED,

FRANCHISEE

______________________________ ______________________________

______________________________ ______________________________

PURCHASE ORDER #2

DATE OF ORDER	SHIP	VIA	TERMS	F.O.B.	SHIPPING DATE

SOLD TO:	SHIP TO: Mailing Address ("Home") or below School Address as indicated below
("*FRANCHISEE*")	("*SCHOOL*")

Marketing materials, stationery, forms, and curricular resources per attached list (the "MARKETING MATERIALS, *STATIONERY, FORMS, and CURRICULAR RESOURCES*") - State and local sales and use taxes, shipping charges, permits, and installation will be in addition to the total price.

TOTAL PRICE $6,000 - $7,000

TERMS AND CONDITIONS

A. On behalf of and as a convenience to FRANCHISEE, Goddard Franchisor LLC ("*GFL*") or its designee agrees to order the MARKETING MATERIALS, STATIONERY, FORMS, and CURRICULAR RESOURCES from the vendor(s) and to advance funds on behalf of FRANCHISEE. FRANCHISEE agrees to reimburse GFL or its designee, as applicable, for the full cost of all MARKETING MATERIALS, STATIONERY, FORMS, and CURRICULAR RESOURCES ordered, which may include (1) different or additional items reflecting availability, a change to GFL's standards, or other reasons; (2) taxes; and/or (3) shipping or delivery charges or fuel surcharges. Full payment to GFL or its designee, as applicable, shall be due and payable immediately upon FRANCHISEE's receipt of the Opening Invoice (as set forth in FRANCHISEE's Franchise Agreement).

B. The MARKETING MATERIALS, STATIONERY and FORMS will be delivered to FRANCHISEE's Home address within a reasonable time after the FRANCHISEE obtains the SCHOOL's building permit, and CURRICULAR RESOURCES will be delivered to the SCHOOL within a reasonable time after the FRANCHISEE has obtained possession of the premises for the SCHOOL. FRANCHISEE agrees to ensure that all applicable insurance policies are in effect by the date of delivery. FRANCHISEE agrees to release GFL and its designee from any and all liability arising from the delivery of the MARKETING MATERIALS, STATIONERY, FORMS, and CURRICULAR RESOURCES to the FRANCHISEE.

C. The vendor(s) of the MARKETING MATERIALS, STATIONERY, FORMS, and CURRICULAR RESOURCES are solely responsible for the manufacture and delivery of the MARKETING MATERIALS, STATIONERY, FORMS, and CURRICULAR RESOURCES, as well as for any warranty or guaranty on any MARKETING MATERIALS, STATIONERY, FORMS, and CURRICULAR RESOURCES. GFL's or its designee's approval or designation of a product or service or of a vendor or supplier, and GFL's or its designee's agreement to advance funds on behalf of FRANCHISEE do not constitute GFL's or its designee's guaranty or warranty of the product or service or of the vendor or supplier. Except with respect to items created and sold by GFL or its designee, GFL and its designee are not responsible for any aspect of the MARKETING MATERIALS, STATIONERY, FORMS, and CURRICULAR RESOURCES, including but not limited to defects.

D. Total price quoted above does not include state and local sales and use taxes, shipping charges, permits, or installation, which shall be paid by FRANCHISEE.

ACCEPTED AND AGREED,

FRANCHISEE

_______________________________ _______________________________

_______________________________ _______________________________

PURCHASE ORDER #3

DATE OF ORDER	SHIP	VIA	TERMS	F.O.B.	SHIPPING DATE

SOLD TO: SHIP TO:

(“*FRANCHISEE*”) (“*SCHOOL*”)

Sign package as per attached list (the “*SIGN PACKAGE*”) **-** State and local sales and use taxes and shipping charges will be in addition to the total price. Installation and permits *are included*.

TOTAL PRICE $20,000.00

TERMS AND CONDITIONS

A. On behalf of and as a convenience to FRANCHISEE, Goddard Franchisor LLC (“*GFL*”) or its designee agrees to order the SIGN PACKAGE from the vendor(s) and to advance funds on behalf of FRANCHISEE. FRANCHISEE agrees to reimburse GFL or its designee, as applicable, for the full cost of the SIGN PACKAGE ordered, which may include (1) different or additional items reflecting availability, a change to GFL’s standards, or other reasons; (2) taxes; and/or (3) shipping or delivery charges or fuel surcharges. Full payment to GFL or its designee, as applicable, shall be due and payable immediately upon FRANCHISEE’s receipt of the Opening Invoice (as set forth in FRANCHISEE’s Franchise Agreement).

B. The SIGN PACKAGE will be delivered to and installed at the SCHOOL within a reasonable time after the FRANCHISEE has obtained possession of the premises for the SCHOOL. FRANCHISEE agrees to ensure that all applicable insurance policies are in effect by the date of delivery and installation. FRANCHISEE agrees to release GFL and its designee from any and all liability arising from the delivery or installation of the SIGN PACKAGE at the SCHOOL.

C. The vendor(s) of the SIGN PACKAGE are solely responsible for the manufacture, delivery and installation of the SIGN PACKAGE, as well as for any warranty or guaranty on any SIGN PACKAGE. GFL’s or its designee’s approval or designation of a product or service or of a vendor or supplier, and GFL’s or its designee’s agreement to advance funds on behalf of FRANCHISEE do not constitute GFL’s or its designee’s guaranty or warranty of the product or service or of the vendor or supplier. Neither GFL nor its designee are resellers of the SIGN PACKAGE and are not responsible for any aspect of the SIGN PACKAGE, including but not limited to defects.

D. Total price quoted above does not include state and local sales and use taxes or shipping charges, which shall be paid by FRANCHISEE. Installation and permits *are included*.

ACCEPTED AND AGREED,

FRANCHISEE

PURCHASE ORDER #4

DATE OF ORDER	SHIP	VIA	TERMS	F.O.B.	SHIPPING DATE

SOLD TO:	SHIP TO:
(“*FRANCHISEE*”)	(“*SCHOOL*”)

Computer hardware, software, firmware, network infrastructure (IT Security), network equipment / wireless access point devices, telephone, telecommunications infrastructure, installation services for the IT network and computer equipment, interactive flat panel and digital signage package as per attached lists (the “*COMPUTER SYSTEM, IT SECURITY, NETWORK EQUIPMENT / WIRELESS ACCESS POINT DEVICES, TELEPHONE, INTERACTIVE FLAT PANEL AND DIGITAL SIGNAGE PACKAGE*”) **-** State and local sales and use taxes, shipping charges, and permits will be in addition to the total price.

TOTAL PRICE $26,000.00 **-** $40,000

TERMS AND CONDITIONS

A. On behalf of and as a convenience to FRANCHISEE, Goddard Franchisor LLC (“*GFL*”) or its designee agrees to order the *COMPUTER SYSTEM, IT SECURITY, NETWORK EQUIPMENT / WIRELESS ACCESS POINT DEVICES, TELEPHONE, INTERACTIVE FLAT PANEL AND DIGITAL SIGNAGE PACKAGE* from the vendor(s) and to advance funds on behalf of FRANCHISEE. FRANCHISEE agrees to reimburse GFL or its designee, as applicable, for the full cost of the *COMPUTER SYSTEM, IT SECURITY, NETWORK EQUIPMENT / WIRELESS ACCESS POINT DEVICES, TELEPHONE, INTERACTIVE FLAT PANEL AND DIGITAL SIGNAGE PACKAGE* ordered, which may include (1) different or additional items reflecting availability, a change to GFL’s standards, or other reasons; (2) taxes; and/or (3) shipping or delivery charges or fuel surcharges. Full payment to GFL or its designee, as applicable, shall be due and payable immediately upon FRANCHISEE’s receipt of the Opening Invoice (as set forth in FRANCHISEE’s Franchise Agreement).

B. The *COMPUTER SYSTEM, IT SECURITY, NETWORK EQUIPMENT / WIRELESS ACCESS POINT DEVICES, TELEPHONE, INTERACTIVE FLAT PANEL AND DIGITAL SIGNAGE PACKAGE* will be delivered to and installed at the SCHOOL within a reasonable time after the FRANCHISEE has obtained possession of the premises for the SCHOOL. FRANCHISEE agrees to ensure that all applicable insurance policies are in effect by the date of delivery and installation. FRANCHISEE agrees to release GFL and its designee from any and all liability arising from the delivery or installation of the *COMPUTER SYSTEM, IT SECURITY, NETWORK EQUIPMENT / WIRELESS ACCESS POINT DEVICES, TELEPHONE, INTERACTIVE FLAT PANEL AND DIGITAL SIGNAGE PACKAGE* at the SCHOOL.

C. The vendor(s) of the *COMPUTER SYSTEM, IT SECURITY, NETWORK EQUIPMENT / WIRELESS ACCESS POINT DEVICES, TELEPHONE, INTERACTIVE FLAT PANEL AND DIGITAL SIGNAGE PACKAGE* are solely responsible for the manufacture and delivery of the *COMPUTER SYSTEM, IT SECURITY, NETWORK EQUIPMENT / WIRELESS ACCESS POINT DEVICES, TELEPHONE, INTERACTIVE FLAT PANEL AND DIGITAL SIGNAGE PACKAGE*, as well as for any warranty or guaranty on the *COMPUTER SYSTEM, IT SECURITY, NETWORK EQUIPMENT / WIRELESS ACCESS POINT DEVICES, TELEPHONE, INTERACTIVE FLAT PANEL AND DIGITAL SIGNAGE PACKAGE*. GFL’s or its designee’s approval or designation of a product or service or of a vendor or supplier, and GFL’s or its designee’s agreement to advance funds on behalf of FRANCHISEE do not constitute GFL’s or its designee’s guaranty or warranty of the product or service or of the vendor or supplier. Neither GFL nor its designee are resellers of the *COMPUTER SYSTEM, IT SECURITY, NETWORK EQUIPMENT / WIRELESS ACCESS POINT DEVICES, TELEPHONE, INTERACTIVE FLAT PANEL AND DIGITAL SIGNAGE PACKAGE* and are not responsible for any aspect of the *COMPUTER SYSTEM, IT SECURITY, NETWORK EQUIPMENT / WIRELESS ACCESS POINT DEVICES, TELEPHONE, INTERACTIVE FLAT PANEL AND DIGITAL SIGNAGE PACKAGE*, including but not limited to defects.

D. Total price quoted above does not include state and local sales and use taxes, shipping charges, or permits, which shall be paid by FRANCHISEE.

ACCEPTED AND AGREED,

FRANCHISEE

______________________________ ______________________________

______________________________ ______________________________

PURCHASE ORDER #5

DATE OF ORDER	SHIP	VIA	TERMS	F.O.B.	SHIPPING DATE

SOLD TO: SHIP TO:

(“*FRANCHISEE*”) (“*SCHOOL*”)

Security System package as per attached list (the “*SECURITY SYSTEM PACKAGE*”) **-** State and local sales and use taxes, shipping charges, and permits will be in addition to the total price.

TOTAL PRICE $15,000.00

TERMS AND CONDITIONS

A. On behalf of and as a convenience to FRANCHISEE, Goddard Franchisor LLC (“*GFL*”) or its designee agrees to order the SECURITY SYSTEM PACKAGE from the vendor(s) and to advance funds on behalf of FRANCHISEE. FRANCHISEE agrees to reimburse GFL or its designee, as applicable, for the full cost of the SECURITY SYSTEM PACKAGE ordered, which may include (1) different or additional items reflecting availability, a change to GFL’s standards, or other reasons; (2) taxes; and/or (3) shipping or delivery charges or fuel surcharges. Full payment to GFL or its designee, as applicable, shall be due and payable immediately upon FRANCHISEE’s receipt of the Opening Invoice (as set forth in FRANCHISEE’s Franchise Agreement).

B. The SECURITY SYSTEM PACKAGE will be delivered to and installed at the SCHOOL within a reasonable time after the FRANCHISEE has obtained possession of the premises for the SCHOOL. FRANCHISEE agrees to ensure that all applicable insurance policies re in effect by the date of delivery and installation. FRANCHISEE agrees to release GFL and its designee from any and all liability arising from the delivery or installation of the SECURITY SYSTEM PACKAGE at the SCHOOL.

C. The vendor(s) of the SECURITY SYSTEM PACKAGE are solely responsible for the manufacture, delivery and installation of the SECURITY SYSTEM PACKAGE, as well as for any warranty or guaranty on the SECURITY SYSTEM PACKAGE. GFL’s or its designee’s approval or designation of a product or service or of a vendor or supplier, and GFL’s or its designee’s agreement to advance funds on behalf of FRANCHISEE do not constitute GFL’s or its designee’s guaranty or warranty of the product or service or of the vendor or supplier. Neither GFL nor its designee are resellers of the SECURITY SYSTEM PACKAGE and are not responsible for any aspect of the SECURITY SYSTEM PACKAGE, including but not limited to defects.

D. Total price quoted above does not include state and local sales and use taxes, shipping charges, or permits, which shall be paid by FRANCHISEE.

ACCEPTED AND AGREED,

FRANCHISEE

____________________________ ____________________________

____________________________ ____________________________

<u>EXHIBIT C-5</u>

AMENDMENT TO THE FRANCHISE AGREEMENT
(MODIFIED FEE)

GODDARD FRANCHISOR LLC
AMENDMENT TO THE FRANCHISE AGREEMENT

(MODIFIED FEE)

THIS AMENDMENT TO THE FRANCHISE AGREEMENT ("*Amendment*"), made and entered into on ____________, _____, between Goddard Franchisor LLC, a Delaware limited liability company, with its principal offices in King of Prussia, Pennsylvania ("*we*" or "*us*") and the undersigned franchisee(s) ("*you*").

BACKGROUND

You have signed a Franchise Agreement dated ______________, _____ ("*Franchise Agreement*") with us related to the establishment, development, and operation of The Goddard School franchise at:

____
____
____
____

You have (1) purchased an additional franchise qualifying for certain reduced fees, or (2) you signed a Preliminary Agreement before we revised our fees, qualifying you to purchase a franchise and have the old fees in effect at the time you signed your Preliminary Agreement apply, or (3) we have modified one or more fees applicable to you as we are permitted to do as described in our Franchise Disclosure Document or as we and you have otherwise agreed.

We and you wish to amend certain provisions of the Franchise Agreement.

AGREEMENT

The parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, with the Background section incorporated by reference, and intending to be legally bound, mutually agree as follows:

1. Section 4A of the Franchise Agreement is amended by replacing only the applicable corresponding paragraph(s) as follows:

A. Section 4A(1) of the Franchise Agreement is amended to read as follows:

(1) Because you initially qualify to participate in our incentive program for [existing franchisees purchasing an additional franchise for a new School,] [for veterans of the U.S. Armed Forces,] you will pay an initial license fee of $______ for the School. The initial license fee, when paid, shall be deemed fully earned and non-refundable. The initial license fee shall be due and payable in two installments, $_____ upon your signing of this Agreement, less any deposits previously paid to us, and $________ when you receive the Opening Invoice (as defined below). Because the initial license fee is offered under a non-transferable incentive program, in addition to any other amounts payable to us, you will pay us the discount allowed to you from our standard initial license fee of $135,000 if you transfer [the new School or the existing School] [the new School] or you are removed from the Franchise Agreement and/or the operating entity to which you assigned the Franchise Agreement for [the new School or the existing School] [the new School] before the new School has operated for two years.

[B. Section 4A(2) of the Franchise Agreement is amended to read as follows:

(2) An initial training and opening support fee of $_____ for initial training for up to two individuals named as parties to this Agreement and for all services related to the

School opening programs, as well as additional training as we deem necessary. Additional individuals named as parties to this Agreement may participate in the initial training program if you pay us a fee of $3,500 per additional person. In addition, if the designated on-site operator is not a party to this Agreement, you must pay us a fee of $3,500 for the designated on-site operator to participate in the initial training program. The initial training and opening support fee and any additional training fees set forth in this Section shall be due and payable at approximately the same time that a Certificate of Occupancy, Temporary Certificate of Occupancy or Use and Occupancy Certificate ("Certificate of Occupancy") is issued for the School. At that time we will present you with a statement ("*Opening Invoice*") showing the status of your account and you must pay us immediately the amounts outstanding on the Opening Invoice by wire transfer. If you add a Satellite Location to this Agreement, you will pay us a Satellite Location assistance fee regarding the Satellite Location of $_____ payable immediately upon your receipt of the Opening Invoice for the Satellite Location. We provide modified opening support in connection with the development and opening of a Satellite Location.]

[C. Section 4A(4) of the Franchise Agreement is amended to read as follows:

(4) A site development fee of $________ shall be payable for the School upon your receipt of the Opening Invoice for the School. If you develop a Satellite Location, a site development fee of $8,750 shall be payable for development of the Satellite Location upon your signing of the Satellite Location Amendment. We may also charge you a reasonable fee, up to the amount of our then-current site development fee for our services in connection with any relocation, expansion, Annex and/or material alterations of the School payable upon your receipt of the Opening Invoice for the Annex or upon our request with respect to the School or the Annex. We may charge you $8,750 for our services in connection with any relocation, expansion, and material alterations of a Satellite Location payable upon our request with respect to the Satellite Location.]

[D. Section 4A(5) of the Franchise Agreement is amended to read as follows:

(5) A continuing monthly royalty fee during the term of this Agreement in an amount equal to __% of all cash collected, or other consideration received, including the fair market value of property or services received or to be received in bartering, for all services or products of any nature rendered or sold at or from or as a result of the School ("*Gross Receipts*"). The revenues of any approved Annex or Satellite Location are included in Gross Receipts. [Notwithstanding the above, because you initially qualify under our incentive program for an existing franchisee purchasing an additional franchise to develop a new School, the royalty fee shall be at the following reduced rates during the first year of operation of the School:

Months	Percentage
1 – 3	2%
4 – 6	4%
7 – 12	6%

Our incentive program and the reduced royalty fee is personal to you. If you transfer the new School or the existing School or you are removed from the Franchise Agreement and/or the operating entity to which you assigned the Franchise Agreement for the new School or the existing School before the new School has operated for two years, you will not qualify for the discounted rate and you will pay the regular royalty rate of 7% going forward, as well as pay us the difference between the 7% rate and the discounted rate you paid for prior periods.]

[E. Section 4A(7) of the Franchise Agreement is amended to read as follows:

(7) A satellite location fee of $_____. The satellite location fee, when paid, shall be deemed fully earned and non-refundable. The satellite location fee shall be due and payable upon your signing of the Satellite Location Amendment. (No initial fee is payable for the approval of an Annex.)]

[2. Section 6D of the Franchise Agreement is amended by adding the following at the end [if applicable]:

[Notwithstanding the above, and the provisions of Section 16A, we and you acknowledge that the School will operate in association with another The Goddard School® franchise that you own meeting our requirements for common ownership and proximity to the School (the "Companion School") and that the designated on-site operator who you have designated and we have approved to conduct the day-to-day management and operation of the Companion School shall also be the designated on-site operator for the School and shall provide sufficient time to the management and operation of the Companion School and the School. [We shall not be required to provide initial training with regard to the Companion School, but we may provide assistance. As a result, the initial training and opening support fee stated in Section 4A(2) of the Franchise Agreement is waived for a Companion School as provided in Section 1B of the Amendment to Franchise Agreement (Modified Fee) attached as **Exhibit C-4** to this Agreement.] We do however require that the School have one Goddard-trained full-time director dedicated solely to the School, and any additional full-time directors we may deem appropriate from time to time dedicated to the School, in our sole business judgment, pursuant to Section 6F.]

[3]. This Amendment and the Franchise Agreement and any other amendments to the Franchise Agreement constitute the entire, full and complete agreement between you and us concerning the subject matter hereof, and supersede all prior agreements, with no other representations having induced you to sign this Amendment, except that you may rely on our representations in the most recent Franchise Disclosure Document (the "FDD") we delivered to you, including its exhibits and any amendments, in connection with the Franchise Agreement and this Amendment. No representations, inducements, promises or agreements, oral or otherwise, not appearing in or attached to the Franchise Agreement or this Amendment (unless of subsequent date) or in the FDD were made by any party, and none shall be of any force and effect with reference to this Amendment or otherwise. No amendment, change or variance from this Amendment shall be binding on either party unless it is mutually agreed to in writing. Except as otherwise described herein, all other terms and conditions in the Franchise Agreement are hereby ratified and confirmed. If there is a conflict between the terms of this Amendment and the Franchise Agreement, the terms of this Amendment shall control.

I WOULD NOT SIGN THIS AMENDMENT IF I DID NOT AGREE TO BE BOUND BY ITS TERMS.

Intending to be legally bound, the parties execute this Amendment as of the date first written above.

FRANCHISEE:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:_________________________________

Title:______________________________

Name:

Name:

Name:

Name:

<u>EXHIBIT C-6</u>

AMENDMENT TO THE FRANCHISE AGREEMENT
(TRANSFER)

GODDARD FRANCHISOR LLC

AMENDMENT TO THE FRANCHISE AGREEMENT
(TRANSFER)

THIS AMENDMENT TO THE FRANCHISE AGREEMENT ("*Amendment*"), made and entered into on __________________, _____, between Goddard Franchisor LLC, a Delaware limited liability company, with its principal offices in King of Prussia, Pennsylvania ("*we*" or "*us*") and the undersigned franchisee(s) ("*you*").

BACKGROUND

A. You have signed a Franchise Agreement dated _______________,______ ("*Franchise Agreement*") with us related to the operation of The Goddard School franchise (the "*School*") at:

____
____
____
____

B. The School was established and operated by an existing franchisee ("*Existing Franchisee*");

C. You and Existing Franchisee have entered into a purchase agreement dated ____________ ____________________ (the "*Purchase Agreement*") by which Existing Franchisee agreed to convey to you the assets of the School;

D. You conducted due diligence on the financial performance of the School and were provided with financial records of the School by Existing Franchisee; in entering into the Purchase Agreement and consummating the purchase of the assets of the School, you relied on your own independent investigation of the School and the historical financial records of the School.

E. You have not received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings, except for the information contained in our Franchise Disclosure Document and except for the actual records of the School (and any other existing school that you were considering buying). You have not received any representation as to the potential volume, profits or success of the School from us or our officers, directors, employees, agents or servants; and you have not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of the School from us or our officers, directors, employees, agents or servants.

F. We and you wish to amend certain provisions of the Franchise Agreement to reflect that certain obligations do not apply or are amended for a transferred franchise.

AGREEMENT

The parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, with the Background section incorporated by reference, and intending to be legally bound, mutually agree as follows:

1. Section 2A of the Franchise Agreement is amended to read as follows:

   The term of this Agreement and franchise shall run for _______________ years and ____________________ months from the date we sign this Agreement, or until ______________, 20__.

2. Section 3A of the Franchise Agreement is amended to read as follows:

A. We shall provide at a reduced fee as provided in Section 4A., paragraph (2), an initial training program to the individual we have approved to serve as your designated on-site operator and additional individuals named as parties to this Agreement that you request or we require, for the fee stated in Section 4A(2). The initial training programs will be delivered through a blend of online coursework, virtual, live sessions and in person training at our corporate offices or at another training site we select in accordance with our then current training program and via virtual and/or in-person one-on-one or small group training. You must pay for the expenses of all individuals during training, including the cost of food, all transportation and lodging costs for any in-person training portion. We shall also make available any other training programs as we deem appropriate. All training shall be at the times and places we designate and/or delivered via our online learning management system, Internet, webinar or other form of electronic communication. We may, in our sole business judgment, require additional training. You shall bear any transportation and lodging expenses for any in-person training and all other expenses incurred during any other training programs and any additional training, including the cost of food, for all individuals attending.

[or]

A. We shall not provide an initial training program to you except in connection with any replacement designated on-site operator or any individuals named as parties to this Agreement that you later request or we require to attend and complete our initial training program to our satisfaction. We shall make available any other training programs as we deem appropriate. The initial training programs will be delivered through a blend of online coursework, virtual, live sessions and in person training at our corporate offices or at another training site we select in accordance with our then current training program and via virtual and/or in-person one-on-one or small group training. You must pay for the expenses of all individuals during training, including the cost of food, all transportation and lodging costs for any in-person training portion. All training shall be at the times and places we designate and/or delivered via our online learning management system, Internet, webinar or other form of electronic communication. We may, in our sole business judgment, require additional training. You shall bear any transportation and lodging expenses for any in-person training and all other expenses incurred during any other training programs and any additional training, including the cost of food, for all individuals attending.

3. Section 3B of the Franchise Agreement is amended to read as follows:

B. We shall provide for opening promotion, brand development, public relations, and initial marketing of the School, subject to applicable law, in a reduced amount for an existing operating School as provided in Section 5A.

4. Section 4A of the Franchise Agreement is amended as follows:

A. Section 4A(1) is amended to read as follows:

(1) An initial license fee of $40,000 for the School. We and you acknowledge that this Agreement is a Franchise Agreement following a transfer of the School to you, and as a result, the initial license fee has been reduced to the amount stated in the preceding sentence. The initial license fee, when paid, shall be deemed fully earned and non-refundable. The initial license fee shall be due and payable in full upon your signing of this Agreement.

B. Section 4A(2) is amended to read as follows:

(2) An initial training and transfer support fee of $___________ for your training and for all services related to the School opening programs, as well as additional training as we deem necessary. The initial training and transfer support fee shall be due at

the time of closing and the date you sign this Agreement. If you add a Satellite Location to this Agreement, you will pay us a Satellite Location assistance fee regarding the Satellite Location of $7,500 payable immediately upon your receipt of the Opening Invoice (as defined below) for the Satellite Location. We provide modified opening support in connection with the development and opening of a Satellite Location. At the time that a Certificate of Occupancy, Temporary Certificate of Occupancy or Use and Occupancy Certificate ("Certificate of Occupancy") is issued for the Satellite Location, we will present you with a statement ("*Opening Invoice*") showing the status of your account and you must pay us immediately the amounts outstanding on the Opening Invoice by wire transfer.

C. Section 4A(4) is amended to read as follows:

Because the School is already developed, you do not have to pay our site development fee, currently $35,000. But if you develop a Satellite Location, a site development fee of $8,750 shall be payable for development of the Satellite Location upon your signing of the Satellite Location Amendment. We may also charge you a reasonable fee, up to the amount of our then-current site development fee for our services in connection with any relocation, expansion, Annex and/or material alterations of the School payable upon your receipt of the Opening Invoice for the Annex or upon our request with respect to the School or the Annex. We may charge you $8,750 for our services in connection with any relocation, expansion, and material alterations of a Satellite Location payable upon our request with respect to the Satellite Location.

5. The first sentence of Section 5A of the Franchise Agreement is amended to read as follows:

A. You will pay us an initial marketing fee in the amount of $_______ for the School payable at the time of closing and the date you sign this Agreement for opening promotion, brand development, public relations, general administrative expenses, and initial marketing of the School, which is the initial marketing fee then required of buyers of existing Goddard Schools, and as adjusted based on our review of your proposed plan and assessment of the School's needs.

[or]

A. Because the School is already existing and operating, no opening promotion, brand development, public relations, general administrative expenses, and initial marketing of the School shall be required at the time of closing and the date you sign this Agreement.

6. [You agree to complete all outstanding improvements, upgrades and repairs required for compliance with our System Standards, as listed in the System Standards Tracking Sheet attached hereto and made a part hereof, within time periods acceptable to us.]

7. The Background Section at the beginning of this Amendment contains contractual terms that are not mere recitals.

8. This Amendment and the Franchise Agreement and any other amendments to the Franchise Agreement constitute the entire, full and complete agreement between you and us concerning the subject matter hereof, and supersede all prior agreements, with no other representations having induced you to sign this Amendment, except that you may rely on our representations in the most recent Franchise Disclosure Document (the "FDD") we delivered to you, including its exhibits and any amendments, in connection with the Franchise Agreement and this Amendment. No representations, inducements, promises or agreements, oral or otherwise, not appearing in or attached to the Franchise Agreement or this Amendment (unless of subsequent date) or in the FDD were made by any party, and none shall be of any force and effect with reference to this Amendment or otherwise. No amendment, change or variance from this Amendment shall be binding on either party unless it is mutually agreed to in writing. Except as otherwise described herein,

all other terms and conditions in the Franchise Agreement are hereby ratified and confirmed. If there is a conflict between the terms of this Amendment and the Franchise Agreement, the terms of this Amendment shall control.

I WOULD NOT SIGN THIS AMENDMENT IF I DID NOT AGREE TO BE BOUND BY ITS TERMS.

Intending to be legally bound, the parties execute this Amendment as of the date first written above.

FRANCHISEE:

____
Name:

____
Name:

____
Name:

____
Name:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:__________________________________

Title:______________________________

<u>EXHIBIT C-7</u>

AMENDMENT TO THE FRANCHISE AGREEMENT
(ANNEX)

GODDARD FRANCHISOR LLC
AMENDMENT TO THE FRANCHISE AGREEMENT

(ANNEX)

THIS AMENDMENT TO THE FRANCHISE AGREEMENT (ANNEX) ("*Annex Amendment*"), made and entered into on ____________, _____, between Goddard Franchisor LLC, a Delaware limited liability company, with its principal offices in King of Prussia, Pennsylvania ("*we*" or "*us*") and the undersigned franchisee(s) ("*you*").

BACKGROUND

A. You have signed a Franchise Agreement dated ___________________________________ ("*Franchise Agreement*") with us related to the establishment, development, and operation of The Goddard School franchise (the "*School*" or the "*associated School*") at:

____
____
____
____

B. You want to develop and operate under the Franchise Agreement an Annex to the associated School, subject to our prior written approval, which we may grant or withhold in our sole business judgment, meeting our then current criteria for the proximity of an Annex to the associated School as provided in the Manual (as defined in the Franchise Agreement) or otherwise in writing; the Annex will be located at:

____
____
____
____

C. We are willing to approve an Annex to the Franchise Agreement at the above location, subject to the terms of this Annex Amendment.

D. All terms capitalized, but not defined in this Annex Amendment, shall have the meaning ascribed to them in the Franchise Agreement for the associated School.

AGREEMENT

The parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, with the Background section incorporated by reference, and intending to be legally bound, mutually agree as follows:

1. The Background Section at the beginning of this Annex Amendment contains contractual terms that are not mere recitals.

2. The Annex is approved as an annex to the associated School. The Annex will be governed under the Franchise Agreement (and not under a separate franchise agreement), except for certain provisions that do not apply to an Annex and certain other provisions that are added by this Annex Amendment. In the Franchise Agreement, as amended by this Annex Amendment and any other amendments, except where distinctions are specifically noted or the context may require, references to the "School" include the associated School, and if applicable, the Annex (and any Satellite Location) together with the associated School. The revenues of the Annex will be included in Gross Receipts under the Franchise Agreement and are subject to payment of the royalty fee and marketing fees. In addition, the Annex may not be transferred separately from the associated School.

3. Unless stated below in this Section 3 that the term of operation of the Annex may be for less than the full remaining term of the Franchise Agreement or any renewal franchise agreement, your right to develop and operate the Annex will expire upon the expiration of the Franchise Agreement (or terminate upon the earlier termination of the Franchise Agreement), and will renew if you enter into a renewal franchise agreement for the associated School together with an Annex Amendment, because the operation of the Annex depends upon the existence and support of the associated School.

The term of operation of the Annex will expire on the following date prior to the expiration date of the Franchise Agreement (unless sooner terminated upon termination of the Franchise Agreement):

[None]

4. You shall purchase all items and pay all costs and fees required under the Franchise Agreement and this Annex Amendment applicable to the Annex. We and you acknowledge that no initial license fee, initial marketing fee or initial training and opening support fee, is due to us under the Franchise Agreement solely in connection with the signing of this Annex Amendment, but you will pay us a background check fee upon request. You will also pay us a site development fee and/or a convention deposit upon our request or your receipt of the Opening Invoice for the Annex as applicable, as required under the Franchise Agreement.

5. Before you open the Annex, you must obtain our approval of your proposed programming, equipment and the age ranges you will serve. You may not change your programming or the age ranges you serve without our prior written consent. We alone will determine whether the Annex premises qualify as an Annex to an associated School according to our policies.

6. This Annex Amendment and the Franchise Agreement and any other amendments to the Franchise Agreement constitute the entire, full and complete agreement between you and us concerning the subject matter hereof, and supersede all prior agreements, with no other representations having induced you to sign this Annex Amendment, except that you may rely on our representations in the most recent Franchise Disclosure Document (the "*FDD*") we delivered to you, including its exhibits and any amendments, in connection with the Franchise Agreement and this Annex Amendment. No representations, inducements, promises or agreements, oral or otherwise, not appearing in or attached to the Franchise Agreement or this Annex Amendment (unless of subsequent date) or in the FDD were made by any party, and none shall be of any force and effect with reference to this Annex Amendment or otherwise. No amendment, change or variance from this Annex Amendment shall be binding on either party unless it is mutually agreed to in writing. Except as otherwise described herein, all other terms and conditions in the Franchise Agreement are hereby ratified and confirmed. If there is a conflict between the terms of this Annex Amendment and the Franchise Agreement, the terms of this Annex Amendment shall control.

I WOULD NOT SIGN THIS ANNEX AMENDMENT IF I DID NOT AGREE TO BE BOUND BY ITS TERMS.

Intending to be legally bound, the parties execute this Annex Amendment as of the date first written above.

FRANCHISEE:	**GODDARD FRANCHISOR LLC** **1016 West Ninth Avenue** **King of Prussia, PA 19406-3107**
____________________________ Name:	
____________________________ Name:	By:____________________________
____________________________ Name:	Title:__________________________
____________________________ Name:	

EXHIBIT C-8

AMENDMENT TO THE FRANCHISE AGREEMENT (SATELLITE LOCATION)

GODDARD FRANCHISOR LLC
AMENDMENT TO THE FRANCHISE AGREEMENT

(SATELLITE LOCATION)

THIS AMENDMENT TO THE FRANCHISE AGREEMENT (SATELLITE LOCATION) ("*Satellite Location Amendment*"), made and entered into on ____________, _____, between Goddard Franchisor LLC, a Delaware limited liability company, with its principal offices in King of Prussia, Pennsylvania ("*we*" or "*us*") and the undersigned franchisee(s) (*"you"*).

BACKGROUND

A. You have signed a Franchise Agreement dated ___________________________ ("*Franchise Agreement*") with us related to the establishment, development, and operation of The Goddard School franchise (the "*School*" or the "*associated School*") at:

____
____
____
____

B. You want to develop and operate under the Franchise Agreement a Satellite Location to the associated School, subject to our prior written approval, which we may grant or withhold in our sole business judgment, meeting our then current criteria for the proximity of a Satellite Location to the associated School as provided in the Manual (as defined in the Franchise Agreement) or otherwise in writing; the Satellite Location will be located at:

____
____
____
____

C. We are willing to approve the addition of the Satellite Location to the Franchise Agreement at the above location, subject to the terms of this Satellite Location Amendment.

D. All terms capitalized, but not defined in this Satellite Location Amendment, shall have the meaning ascribed to them in the Franchise Agreement for the associated School.

AGREEMENT

The parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, with the Background section incorporated by reference, and intending to be legally bound, mutually agree as follows:

1. The Background Section at the beginning of this Satellite Location Amendment contains contractual terms that are not mere recitals.

2. The Satellite Location is approved as a satellite location to the associated School. The Satellite Location will be governed under the Franchise Agreement (and not under a separate franchise agreement), except for certain provisions that do not apply to a Satellite Location and certain other provisions that are added by this Satellite Location Amendment. In the Franchise Agreement, as amended by this Satellite Location Amendment and any other amendments, except where distinctions are specifically noted or the context may require, references to the "School" include the associated School, and if applicable,

the Satellite Location (and any Annex) together with the associated School. The revenues of the Satellite Location will be included in Gross Receipts under the Franchise Agreement and are subject to payment of the royalty fee and marketing fees. In addition, the Satellite Location may not be transferred separately from the associated School.

3. Unless stated below in this Section 3 that the term of operation of the Satellite Location may be for less than the full remaining term of the Franchise Agreement or any renewal franchise agreement, your right to develop and operate the Satellite Location will expire upon the expiration of the Franchise Agreement (or terminate upon the earlier termination of the Franchise Agreement), and will renew if you enter into a renewal franchise agreement for the associated School together with a Satellite Location Amendment, because the operation of the Satellite Location depends upon the existence and support of the associated School.

The term of operation of the Satellite Location will expire on the following date prior to the expiration date of the Franchise Agreement (unless sooner terminated upon termination of the Franchise Agreement):

[No Change]

4. You shall purchase all items and pay all costs and fees required under the Franchise Agreement and this Satellite Location Amendment applicable to the Satellite Location. Among other payments you will make to us pursuant to the Franchise Agreement, the following are due to us solely in connection with the signing of this Satellite Location Amendment:

A. Satellite Location Fee of $30,000, payable when you sign this Satellite Location Amendment.

B. Satellite Location Assistance Fee of $7,500, payable immediately upon your receipt of the Opening Invoice for the Satellite Location. [Fee is payable for assistance; no initial training program will be provided by us.]

C. Initial Marketing Fee of $15,000, payable when you sign this Satellite Location Amendment.

D. Site Development Fee of $8,750 payable when you sign this Satellite Location Amendment.

E. Background Check Fee of $1,500 per person may be payable when you sign this Satellite Location Amendment or when we request.

F. Convention Deposit of $2,000 may be payable in our sole business judgment immediately upon your receipt of the Opening Invoice for the Satellite Location.

5. You understand and agree that the main limitation of the Satellite Location is that it may not serve all age ranges typically served by Goddard Schools except with our specific written approval which we are not obligated to provide. Section 6J of the Franchise Agreement is amended by adding the following at the end:

> Notwithstanding the foregoing, the Satellite Location may not serve all age ranges typically served by Goddard Schools except with our specific written approval which we are not obligated to provide, and which we may condition on your agreement to certain requirements. Before you open the Satellite Location, you must obtain our approval to your proposed programming and the age ranges you will serve. You may not change your

programming or the age ranges you serve without our prior written consent. We alone will determine whether the Satellite Location premises and its operations qualify for treatment as a satellite location Goddard School according to our policies.

6. There are no size limitations on a Satellite Location, subject to the size of the Satellite Location premises. The Satellite Location will only operate with the support of and together with the associated School, as we specify in the Manual or otherwise in writing, including that the designated on-site operator of the associated School shall devote full time, energy and efforts to the management and operation of both the associated School and the Satellite Location to satisfy and honor your obligations under the Franchise Agreement.

7. You understand and agree that the Franchise Agreement and any guidelines we set in the Manual or otherwise in writing for how close a satellite location should be to its associated School do not grant you any territorial rights, and there are no radius restrictions or minimum population requirements which limit where we can license or open another Goddard School, including any satellite location, unless provided under local law, the Franchise Agreement, or our Franchise Disclosure Document.

8. This Satellite Location Amendment and the Franchise Agreement and any other amendments to the Franchise Agreement constitute the entire, full and complete agreement between you and us concerning the subject matter hereof, and supersede all prior agreements, with no other representations having induced you to sign this Satellite Location Amendment, except that you may rely on our representations in the most recent Franchise Disclosure Document (the "*FDD*") we delivered to you, including its exhibits and any amendments, in connection with the Franchise Agreement and this Satellite Location Amendment. No representations, inducements, promises or agreements, oral or otherwise, not appearing in or attached to the Franchise Agreement or this Satellite Location Amendment (unless of subsequent date) or in the FDD were made by any party, and none shall be of any force and effect with reference to this Satellite Location Amendment or otherwise. No amendment, change or variance from this Satellite Location Amendment shall be binding on either party unless it is mutually agreed to in writing. Except as otherwise described herein, all other terms and conditions in the Franchise Agreement are hereby ratified and confirmed. If there is a conflict between the terms of this Satellite Location Amendment and the Franchise Agreement, the terms of this Satellite Location Amendment shall control.

I WOULD NOT SIGN THIS SATELLITE LOCATION AMENDMENT IF I DID NOT AGREE TO BE BOUND BY ITS TERMS.

Intending to be legally bound, the parties execute this Satellite Location Amendment as of the date first written above.

FRANCHISEE:	**GODDARD FRANCHISOR LLC** **1016 West Ninth Avenue** **King of Prussia, PA 19406-3107**
______________________________ Name:	
______________________________ Name:	By:______________________________
______________________________ Name:	Title:______________________________
______________________________ Name:	

EXHIBIT C-9

AMENDMENT TO THE FRANCHISE AGREEMENT
(DESIGNATED ON-SITE OPERATOR)

GODDARD FRANCHISOR LLC
AMENDMENT TO THE FRANCHISE AGREEMENT

(DESIGNATED ON-SITE OPERATOR)

THIS AMENDMENT TO THE FRANCHISE AGREEMENT ("*Amendment*"), made and entered into on ____________, _____, between Goddard Franchisor LLC, a Delaware limited liability company, with its principal offices in King of Prussia, Pennsylvania ("*we*" or "*us*") and the undersigned franchisee(s) ("*you*").

BACKGROUND

A. You have signed a Franchise Agreement dated ______________ ("*Franchise Agreement*") with us related to the establishment, development, and operation of The Goddard School franchise (the "*School*") at:

____
____
____
____

B. You wish to appoint the following individual, who is neither an Owner nor a franchisee under the Franchise Agreement, as the designated on-site operator of the School: [Insert Name], an individual resident of [State] (the "*Designated On-Site Operator*").

C. You satisfy our current criteria to appoint a Designated On-Site Operator who is neither an Owner nor a franchisee under the Franchisee. As such, we are willing to approve the appointment of the Designated On-Site Operator, subject to the terms and conditions of this Amendment.

D. All capitalized terms used but not defined in this Amendment shall have the meanings ascribed to them in the Franchise Agreement.

AGREEMENT

The parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, with the Background section incorporated by reference, and intending to be legally bound, mutually agree as follows:

1. Section 6D of the Franchise Agreement is amended to read as follows:

Before the opening of the School, the School employee you have designated to conduct the day-to-day management and operation of the School (the "designated on-site operator"), shall attend and must complete to our satisfaction all requirements of an initial training program we prescribe delivered through a blend of online coursework, virtual, live sessions and in person training at our corporate offices or at another training site we select in accordance with our then current training program. You must pay us a training fee of $3,500 for the designated on-site operator to attend and complete the initial training program. The designated on-site operator must devote full time, energy and efforts to the management and operation of the School under your direction and supervision. You may not change the designated on-site operator during the term of this Agreement without our prior written approval. The replacement designated on-site operator must attend and complete to our satisfaction all requirements of our then current initial training program within 60 days of hire. You must pay our then current fee for any replacement designated on-site operator to attend and complete such training. We reserve the right, but are not obligated, to approve your designated on-site operator or any replacement designated on-site operator responsible for the day-to-day management of the School under an amendment to the Franchise Agreement. Any person who has signed the Franchise Agreement and has responsibility for the day-to-day operations of the School must attend and complete all requirements to our satisfaction of our initial training program at your expense. Only individuals who have satisfactorily completed all requirements related to our initial training program we prescribe or our Director Initial Training Program described in Section 6F may lead tours of the School for parents of prospective students or others or serve in a management role in the School with respect to overseeing the relationship with parents of the School's students or School employees. Training may take place in one or more sessions, with a session varying from one or more consecutive days to two or more consecutive weeks and you will have to plan your schedule accordingly. Up to two individuals named as parties to this Agreement may attend our training at your request covered by the initial training and opening support fee stated in Section 4A(2); no additional training fee shall be payable for training we provide under Section 3A to such individuals but we may charge an additional fee for any additional individuals who attend training, as set forth in Section 4A(2) and this Section 6D. We shall provide and pay only for training instructors, facilities and training materials. You must pay for the expenses of all individuals during training, including the cost of food, all transportation and lodging costs for any in-person training portion.

2. In addition to the indemnification obligations set forth in Section 18C of the Franchise Agreement, you shall also indemnify and hold us and our affiliates and our and our affiliates' respective officers, directors, managers, members, partners, shareholders, independent contractors and employees harmless against any and all claims, losses, damages, costs or expenses (including attorneys' fees) arising out of or in connection with the Designated On-Site Operator's failure, or alleged failure, to comply with the Confidentiality Agreement. Your obligations under this Section shall survive the expiration, termination or transfer of the Franchise Agreement and/or this Amendment.

3. This Amendment and the Franchise Agreement and any other amendments to the Franchise Agreement constitute the entire, full and complete agreement between you and us concerning the subject matter hereof, and supersede all prior agreements, with no other representations having induced you to sign this Amendment, except that you may rely on our representations in the most recent Franchise Disclosure Document (the "*FDD*") we delivered to you, including its exhibits and any amendments, in connection with the Franchise Agreement and this Amendment. No representations, inducements, promises or agreements, oral or otherwise, not appearing in or attached to the Franchise Agreement or this Amendment (unless of subsequent date) or in the FDD were made by any party, and none shall be of any force and effect with reference to this Amendment or otherwise. No amendment, change or variance from this Amendment shall be binding on either party unless it is mutually agreed to in writing. Except as otherwise described herein, all other terms and conditions in the Franchise Agreement are hereby ratified and confirmed. If there is a conflict between the terms of this Amendment and the Franchise Agreement, the terms of this Amendment shall control.

I WOULD NOT SIGN THIS AMENDMENT IF I DID NOT AGREE TO BE BOUND BY ITS TERMS.

Intending to be legally bound, the parties execute this Amendment as of the date first written above.

FRANCHISEE:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:__________________________________

Title:______________________________

Name:

Name:

Name:

Name:

EXHIBIT C-10

FRANCHISE AGREEMENT
(RENEWAL)

GODDARD FRANCHISOR LLC

FRANCHISE AGREEMENT

(RENEWAL)

FRANCHISE AGREEMENT

(RENEWAL)

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GODDARD FRANCHISOR LLC

FRANCHISE AGREEMENT

(RENEWAL)

THIS FRANCHISE AGREEMENT (this *"Agreement"*), made, entered into, and effective on _____________________, 20_____, is between Goddard Franchisor LLC, a Delaware limited liability company, with its principal place of business at 1016 West Ninth Avenue, King of Prussia, Pennsylvania 19406-3107 ("*we*" or "*us*") and [FRANCHISEE 1 and 2], spouses, residents and citizens of ____________ _____________ ("*you*"), the undersigned franchisee(s).

BACKGROUND

A. We, our affiliates, and our predecessors have expended substantial resources to develop a system (the *"System"*) for the establishment, development and operation of preschools (*"Goddard Schools"* or *"Goddard School"*) for children, now known as The Goddard School®. The System includes our Confidential Operating Manual (the "*Manual*"), other proprietary information and compilations, proprietary marks, trade dress, design, décor, image, lay-out, know-how, trade secrets, procedures, standards, specifications, equipment, market analysis, procurement of students, sales and merchandising methods, quality assurance standards, training of franchisees and Goddard School personnel, marketing techniques, record keeping and business management which may be changed, improved and further developed by us from time to time.

B. We grant franchises to qualified individuals to use the System, including our service mark, "***The Goddard School®***" and other identifying marks and symbols that we use now or may later use as part of the System (the *"Proprietary Marks"*). We intend to further develop and use the Proprietary Marks to identify our services and our standards of quality and service to the public.

C. [We] [Our predecessor Goddard Systems, LLC (f/k/a Goddard Systems, Inc.) ("GSL")] and you entered into a Franchise Agreement dated [___________________] (the "*Prior Franchise Agreement*") under which you were granted the right and undertook the obligation to operate The Goddard School® business at the location stated in Section 1A.

D. On [__________________], [we] [GSL] and you, as assignor, and ENTITY, a ____________ limited liability company/corporation owned and controlled by you ("*Entity*"), as assignee, entered into an Assignment and Assumption Agreement (the "*Prior Assignment Agreement*") under which you assigned your rights and obligations under the Prior Franchise Agreement to Entity but agreed to continue to be bound by all the terms and conditions of the Prior Franchise Agreement and Entity assumed your rights and obligations under the Prior Franchise Agreement.

E. The term of the Prior Franchise Agreement is expiring, and in compliance with terms and conditions of the Prior Franchise Agreement, we and you wish to enter into this Agreement, which is a renewal Franchise Agreement that replaces and supersedes the Prior Franchise Agreement. Simultaneously with your signing of this Agreement, you are assigning your rights and obligations under this Agreement to Entity and Entity is assuming your rights and obligations under this Agreement under a new Assignment and Assumption Agreement dated the same date as this Agreement among you, Entity and us. In satisfaction of a condition of renewal of the Prior Franchise Agreement and of our entering into this Agreement, you and Entity must grant us a general release. Entity shall join in the execution of this Agreement following your signature in order to grant the general release and make the related covenants set forth in Section 25A and to agree to the termination of the Prior Franchise Agreement and Prior Assignment Agreement and the survival of post-termination rights and obligations as provided in Section 1E. Entity shall also benefit from our release of you and Entity provided in Section 25B.

F. By signing this Agreement, you acknowledge the importance of our quality and service standards and agree to operate the Goddard School in accordance with those standards and as described in the System. You also acknowledge that adhering to the terms of this Agreement and implementing the System as we direct are essential to the operation of the Goddard School, to the System and to all our franchisees.

G. **WE AND YOU HAVE AGREED TO WAIVE PUNITIVE OR EXEMPLARY OR CONSEQUENTIAL DAMAGES AS PROVIDED IN SECTION 23G. WE AND YOU HAVE ALSO AGREED TO WAIVE ANY RIGHT TO TRIAL BY JURY, AS PROVIDED IN SECTION 23H. YOU HAVE AGREED TO WAIVE ANY RIGHT TO PURSUE ANY CLASS CLAIMS, AS PROVIDED IN SECTION 23I.**

AGREEMENT

The parties, in consideration of the undertakings and commitments of each party to the other party set forth in this Agreement, hereby mutually agree as follows:

1. **APPOINTMENT**.

A. We hereby grant to you, upon the terms and conditions of this Agreement, the right and franchise to operate one Goddard School, and to use solely in connection therewith the System, as it may be changed, improved and further developed from time to time and the Proprietary Marks, at the following location (the "*School*"):

____

____

____

____

You accept this grant and agree to use your best efforts to develop and fully exploit the business potential of the School utilizing the System and the Proprietary Marks. In this Agreement, except where distinctions are specifically noted or the context may require, references to the "School" include the School you develop at the location stated above (or any location to which the School may be relocated in accordance with this Agreement), and if applicable, together with any approved Annex or Satellite Location (as defined in Section 1D) that you develop in accordance with this Agreement associated with the School you develop at the location stated above (or any location to which the School may be relocated) (sometimes referred to as the "associated School" with regard to an Annex or Satellite Location). You may not relocate the School except with our prior written consent.

B. Provided you are in compliance with this Agreement, we will not during the term of this Agreement establish, or license any other franchisee to establish, more than one Goddard School under the System for each 10,000 households in the county in which the School is located. Any Annex and any Satellite Location that we may authorize to operate in association with any Goddard School pursuant to our guidelines that we set in the Manual or otherwise in writing will not count as a separate Goddard School for the purpose of determining the number of Goddard Schools in the county, but together with its associated Goddard School, will count as one Goddard School.

C. Except as specifically stated in Section 1B above, you acknowledge and agree that this franchise is nonexclusive and that we and/or our affiliates, subsidiaries, or other franchisees or licensees may compete with you for customers within and outside of the county described above. We and our affiliates retain the rights, among others, without granting any rights to you, to sell and license others to sell services and products authorized to be offered by Goddard Schools or businesses operated under any other names and trademarks, directly or indirectly, at retail or wholesale, through similar or dissimilar channels of distribution, on terms we consider appropriate, regardless of their proximity to the School or whether they compete with you. The alternative channels of distribution for services include, for example, sales of services in separate areas or concession departments set aside for the School within other retail establishments or business, co-branding relationships, catalog business or via the Internet and any similar outlets or distribution methods we determine. We do not grant you any rights to distribute products or services through alternate channels of distribution, and you will have no right to share, nor should you expect to share, in any of the proceeds we and/or our affiliates or franchisees or licensees or any other party receives in connection with the alternate channels of distribution. For purposes of this Agreement, an "affiliate" of a person means, with regard to a business entity, an entity that is controlled by that business entity or is under common control with that business entity.

D. We may allow you to operate an annex to the associated School with our prior written approval, ("Annex") which we may grant or withhold in our sole business judgment, whether attached or free-standing, in connection with the original construction or later as an expansion of the associated School, and subject to the terms of this Agreement. An Annex to the associated School must meet our then current criteria for the proximity of an Annex to the associated School as provided in the Manual or otherwise in writing. At the date of this Agreement, an Annex must be on the same parcel as a suburban Goddard School or on the same block as a metropolitan Goddard School and we must approve all programming for the Annex in advance in writing. We may allow you to operate a satellite location with our prior written approval, which we may grant or withhold in our sole business judgment ("Satellite Location"), and subject to the terms of this Agreement. The School may have only one associated Satellite Location or one associated Annex unless we grant written approval in our sole business judgment. A Satellite Location must meet our then current criteria for the proximity of the Satellite Location to the associated School as provided in the Manual or otherwise in writing. At the date of this Agreement, a Satellite Location will not be located on the same parcel as a suburban Goddard School or on the same block as a metropolitan Goddard School, but it must be within a certain distance we specify from the associated School. A Satellite Location must also have a limitation on programming restricting it from serving all age ranges typically served by a Goddard School except with our specific written approval which we are not obligated to provide. There are no size limitations on the Satellite Location. Any approved Annex and any approved Satellite Location developed under this Agreement will be governed under this Agreement and not under separate franchise agreements. Approval of any Annex or Satellite Location will be evidenced in an amendment to this Agreement designating the location of the Annex or Satellite Location (respectively, the "Annex Amendment" or the "Satellite Location Amendment"). We may instead of allowing you to add an Annex or Satellite Location by amendment to this Agreement, in our sole business judgment, require that you update this form of our Franchise Agreement and enter into our then-current form of the Franchise Agreement (or the then-current form of the Franchise Agreement (Renewal) for the remaining term of this Agreement, together with the applicable Annex Amendment or Satellite Location Amendment. If the location of the Annex or Satellite Location is not identified at the time we and you enter into the Annex Amendment or the Satellite Location Amendment, the location will be selected and approved under the terms of this Agreement and the applicable Annex Amendment or Satellite Location Amendment and then designated by an amendment to the applicable Annex Amendment or Satellite Location Amendment. You may not relocate any Annex or Satellite Location except with our prior written consent.

E. This Agreement replaces and supersedes the Prior Franchise Agreement which we and you acknowledge and agree has expired. All rights and obligations between you, Entity and us arising from or related to the Prior Franchise Agreement and the Prior Assignment Agreement are terminated except those rights and obligations which expressly or by implication are intended to survive the termination of the Prior Franchise Agreement and the Prior Assignment Agreement. Before execution of this Agreement, you and Entity shall pay to us all fees or charges due under the Prior Franchise Agreement and any other agreements between you and/or Entity and us.

2. **TERM AND RENEWAL**.

A. The term of this Agreement and franchise shall run for five years from the date of this Agreement. We and you may provide in the Annex Amendment or the Satellite Location Amendment that the term of operation of any Annex or Satellite Location may be for less than the full remaining term of this

Agreement as long as you operate the associated School at all times during the full term of this Agreement. If we and you agree to limit the term of operation of any approved Annex or Satellite Location, you will enter into a lease or other occupancy agreement for the Annex or Satellite Location for the reduced term. Your right to operate any Annex or Satellite Location will terminate or expire when this Agreement terminates or expires (or earlier if provided in the Annex Amendment or Satellite Location Amendment).

B. You may renew this franchise for additional periods of five years each, provided that you:

(1) give us written notice of your intent to renew at least six but no more than 12 calendar months before the expiration of the initial or current renewal term;

(2) have substantially complied with this Agreement throughout the term and any renewal term and must not be in breach of any provision of this Agreement or any other agreement between you and us or any of our subsidiaries or affiliates;

(3) have the right, through ownership or lease, to occupy the premises of the School, including any approved Annex or Satellite Location (unless otherwise agreed), for the length of the renewal term;

(4) provide us with a copy of the lease agreement that will be in effect for the School during the renewal term;

(5) complete any training we require;

(6) pay us a renewal license fee of $10,000 when you provide written notice of your intent to renew to cover the background check expense for up to two people and our reasonable administrative and other costs; the renewal license fee, when paid, shall be deemed fully earned and non-refundable;

(7) pay us our then-current background check fee for any people above the two persons whose background check expense is covered by the renewal license fee, and your background check results for all persons are satisfactory to us; our current background check fee is described in Section 4A(3)

(8) have complied to our satisfaction with all obligations to maintain the School in first class condition and repair and in compliance with the System, including obligations to remodel, refurbish and improve the School as required by this Agreement to conform to our then-current standards and trade dress;

(9) unless otherwise agreed by you and us, sign our then-current form of collateral assignment of lease or option to lease agreement and right of first refusal, as appropriate, including with regard to any approved Annex or Satellite Location, unless a prior version of such agreement has already been signed, remains in effect and applies during the renewal term and permits us to retain rights under the lease that we had during the current renewal term to occupy the School premises that we deem then satisfactory in our sole business judgment;

(10) sign a general release, in a form satisfactory to us, of us and our subsidiaries and affiliates and our/their respective officers, directors, managers, members, shareholders, partners and employees in our/their corporate and individual capacities; and

(11) sign our then-current form of franchise agreement (limited to the renewal term), which agreement shall supersede in all respects this Agreement, and the terms of which may differ from the terms of this Agreement including a higher percentage royalty fee and marketing fee. If we then only enter into franchise agreements with individuals and not business entities, the individual owners of the business entity to which this Agreement was assigned for convenience of ownership pursuant to Section 12D (or comparable section) must enter into the renewal franchise

agreement individually and must then assign the renewal franchise agreement to the business entity pursuant to Section 12D.

3. **OUR SERVICES**.

A. We and you acknowledge that this Agreement is a renewal Franchise Agreement, the School has been open and in operation and you have previously completed an initial training program to our satisfaction. We shall not be obligated to provide an initial training program to you including in connection with the addition of any Annex or Satellite Location to this Agreement. We may provide and require you to attend and satisfactorily complete a refresher training program as a condition of the renewal, either before or after the effective date of this Agreement. Up to two individuals named as parties to this Agreement may attend our training at your request or pursuant to our requirement; no additional fee shall be payable for training we provide under this Section 3A and Section 6D to such individuals but we may charge an additional fee for any additional individuals who attend training. You must pay for the expenses of all individuals during training, including the cost of food, all transportation and lodging costs for any in-person training portion. We shall also make available any other training programs as we deem appropriate. All training shall be at the times and places we designate or delivered via our online learning management system, Internet, webinar or other form of electronic communication. We may, in our sole business judgment, require additional training. You shall bear any transportation and lodging expenses for any in-person training and all other expenses incurred during any other training programs and any additional training, including the cost of food, for all individuals attending.

B. We and you acknowledge that this Agreement is a renewal Franchise Agreement, the School has been open and in operation, and as a result, we shall not be obligated to provide for opening promotion, brand development, public relations, and initial marketing of the School.

C. We shall provide initial and continuing advisory assistance in the operation of the School as we deem appropriate.

D. We shall provide you with a set of specifications as to the types and quantities of supplies and equipment necessary for operation of the School and specifications for signs.

E. You acknowledge we have previously made available to you our Manual, as described in Section 8 below, and we shall continue to make the Manual available to you during the term of this Agreement.

F. We shall use commercially reasonable efforts to ensure that the School maintains high standards of quality, appearance, professionalism and service of the System and, to that end, shall conduct periodic inspections of the School as we deem advisable.

G. We shall administer the marketing funds paid by you under this Agreement as described in Section 5B below.

H. We shall provide assistance and help support with school specific and local marketing efforts and management of leads using tracking systems we deem appropriate in our business judgment. Our support may be primarily by telephone or electronic communication, including email.

4. **FEES**.

A. You agree to pay us:

(1) We and you acknowledge that this Agreement is a renewal Franchise Agreement, and as a result, a renewal license fee in the amount of $10,000 shall be due and payable upon your signing of this Agreement to the extent not previously paid. The renewal license fee, when paid, shall be deemed fully earned and non-refundable. The renewal license fee will cover the background check expense for up to two people and our reasonable administrative and other costs.

(2) We and you acknowledge that this Agreement is a renewal Franchise Agreement, and as a result, no initial training and opening support fee shall be due and payable in connection with the School as a result of the execution of this Agreement. If you add a Satellite Location to this Agreement, you will pay us a Satellite Location assistance fee regarding the Satellite Location of $7,500 payable immediately upon your receipt of the Opening Invoice (as defined below) for the Satellite Location. We provide modified opening support in connection with the development and opening of a Satellite Location. At the time that a Certificate of Occupancy, Temporary Certificate of Occupancy or Use and Occupancy Certificate ("Certificate of Occupancy") is issued for the Satellite Location, we will present you with a statement ("*Opening Invoice*") showing the status of your account and you must pay us immediately the amounts outstanding on the Opening Invoice by wire transfer.

(3) To the extent not previously paid in connection with this renewal Franchise Agreement, if more than two people are signing this Agreement, you must pay us a background check fee for the persons above two whose background check cost is not covered in the renewal license fee. As of the date of this Agreement, the background check fee is $1,500 per person. If we request additional background checks during the term of this Agreement pursuant to Section 2B(6) (renewal) (and not covered by payment of the renewal license fee), this Section 4A(3), Section 6T (deemed desirable, including in connection with the development of an Annex or Satellite Location), Section 10G (new spouse), Section 12B(5) (transfer), or Section 12I (add-on individual franchisees), you shall pay us a background check fee upon demand for each such background check, except for a background check we conduct under Section 6T if the background check is within five years of the last check on the individual (and not related to development of an Annex or Satellite Location, a renewal, addition of a new spouse, or a transfer). We shall not refund any portion of the background check fee or any amount collected and deemed covering the cost for a background check for up to two persons in connection with a renewal license fee or franchisee add-on fee.

(4) We and you acknowledge that this Agreement is a renewal Franchise Agreement, and as a result, no initial site development fee shall be due and payable in connection with the School as a result of the execution of this Agreement. If you develop a Satellite Location, a site development fee of $8,750 shall be payable for development of the Satellite Location upon your signing of the Satellite Location Amendment. We may also charge you a reasonable fee, up to the amount of our then-current site development fee for our services in connection with any relocation, expansion, Annex and/or material alterations of the School payable upon your receipt of the Opening Invoice for the Annex or upon our request with respect to the School or the Annex. We may charge you $8,750 for our services in connection with any relocation, expansion, and material alterations of a Satellite Location payable upon our request with respect to the Satellite Location.

(5) A continuing monthly royalty fee during the term of this Agreement in an amount equal to 7% of all cash collected, or other consideration received, including the fair market value of property or services received or to be received in bartering, for all services or products of any nature rendered or sold at or from or as a result of the School ("*Gross Receipts*"). The revenues of any approved Annex or Satellite Location are included in Gross Receipts.

(6) A non-refundable convention deposit of $2,000 due if you are purchasing an existing School when you sign the Franchise Agreement. We may also request a convention deposit in our sole business judgment if you sign an Annex Amendment or a Satellite Location Amendment, due when you receive the Opening Invoice for the Annex or the Satellite Location. We will hold the convention deposit and apply it, until the deposit is depleted, to attendance fees we charge for annual franchisee events that you must attend (pursuant to Section 6E) following the date you first

open the School for business or assume operation of the School as an existing School or first open the Annex or the Satellite Location for business. We will not pay any interest on the deposit and do not have to hold the deposit in a separate account. For each required event, we will apply from the convention deposit an amount equal to the registration fee for one individual, regardless of whether you or your personnel attend.

(7) A satellite location fee of $30,000. The satellite location fee, when paid, shall be deemed fully earned and non-refundable. The satellite location fee shall be due and payable upon your signing of the Satellite Location Amendment. (No initial fee is payable for the approval of an Annex.) For the avoidance of doubt, we and you acknowledge that this Agreement is a renewal Franchise Agreement, and as a result, no new or renewal satellite location fee shall be due and payable upon your signing of a Satellite Location Amendment in connection with any satellite location for which a satellite location fee was paid under a Satellite Location Amendment to the Prior Franchise Agreement.

B. All monthly royalty fees and TGS Marketing Fund continuing marketing fees (described in Section 5 below) shall be payable monthly on the third business day of each month on Gross Receipts for the preceding month. We will electronically withdraw the payment on or after the third business day of any month. If you fail to report your Gross Receipts on a timely basis, we may estimate your Gross Receipts and withdraw from your operating account the amounts estimated to be due to us for the royalty fee, TGS Marketing Fund continuing marketing fees and any bank fees. Once you have submitted the Gross Receipts report, any overpayments from the estimated amount will be forwarded to you or credited to your account less any bank fees; if the estimated amount was an underpayment, you shall immediately pay the remaining amount due, with interest and any bank fees.

C. Any late payment under this Agreement or any other agreement with us or our affiliates shall bear interest compounded monthly from the due date until paid at 1.5% per month or the maximum legal interest rate, whichever is lower. Entitlement to interest shall be in addition to any other remedies we or our affiliates or subsidiaries may have.

D. You shall make timely payments of all obligations related to the School to suppliers, vendors, lenders or lessors and any other indebtedness incurred by you in operating the School. If we pay any expense on your behalf you shall reimburse us promptly. Failure to comply with this Section 4D shall be a default of this Agreement.

E. You shall promptly pay when due all taxes levied or assessed by any tax authority. Failure to do so shall be a default of this Agreement. You shall be responsible for any sales tax, use tax, gross receipts tax, excise tax or other similar tax (collectively “Sales Tax”) imposed by law on all payments you make to us or our affiliates under this Agreement or otherwise, in connection with the School, whether assessed on you or on us or our affiliate. We and our affiliates may collect some of the Sales Tax from you for transmittal to the taxing authority on your behalf. You will reimburse us and our affiliates for any Sales Tax we or our affiliate pay directly to any taxing authority on your behalf in connection with the School. You are responsible for any Sales Taxes that we do not collect and/or remit on your behalf.

F. We may charge a fee for use of our proprietary software (currently called Franchise Management System (FMS)). We may charge a reasonable systems fee for modifications, enhancements and installations made to our computer systems (including all hardware, software and firmware, and network infrastructure, including a router and firewall) (network infrastructure, including a router and firewall are sometimes separately referred to as “IT Security”), network equipment / wireless access point devices, and telephone systems including telecommunications infrastructure products and support services) and our proprietary software that we may assess based on an apportionment among our franchisees. We may also charge a reasonable fee on an individual franchisee basis for other information technology maintenance and support services we may provide that we determine, in our sole business judgment, are in excess of the general level of services we then provide to franchisees. These fees will be payable within

30 days following your receipt of notice of the fee and we may withdraw the amount from your operating account pursuant to your pre-authorized draft forms as provided in Section 4G.

G. You shall maintain one operating account to make all payments required by this Agreement. At our request, you will sign and deliver to us appropriate pre-authorized draft forms to establish a bank draft arrangement for the operating account with respect to any amounts due to us under this Agreement and make sufficient funds available in the operating account no later than the due date for any required payments. You agree to advise us at least 20 days in advance of any change in your bank, financial institution or account and you will not make any change without first obtaining our written consent and signing new draft forms with us. You shall pay us the greater of $30 or the amount of any returned, stop payment or insufficient funds fees or any similar or related fees charged by any financial institutions or any electronic funds transfer network or ACH for an unsuccessful or late payment and any replacement payment. You acknowledge and agree that this Section is intended to serve as your authorization for us to withdraw payment of any amounts due to us under this Agreement under any type of electronic funds transfer or wire transfer process. Notwithstanding the foregoing, we shall have the right, in our sole business judgment, to require you to pay any amounts due to us under this Agreement by means other than bank drafts, and you agree to comply with our payment instructions.

H. You shall not withhold any payments on any grounds, including allegations of our non-performance.

5. **<u>MARKETING AND PROMOTION</u>**.

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

A. We and you acknowledge that this Agreement is a renewal Franchise Agreement, the School has been open and in operation, and as a result, we shall not be obligated to provide for opening promotion, brand development, public relations, and initial marketing of the School, and as a result no initial marketing fee shall be due and payable in connection with the School as a result of the execution of this Agreement. If you add a Satellite Location to this Agreement, we may require an initial marketing fee of $15,000 if we determine in our sole business judgment based on our assessment of the Satellite Location's needs for the promotion of the School and the addition of the Satellite Location, brand development and initial marketing related to the addition of the Satellite Location, payable when you sign the Satellite Location Amendment.

B. You will pay us a continuing monthly marketing fee for the national marketing fund for The Goddard School brand, which is called TGS Marketing Fund (the "TGS Marketing Fund" or the "Fund") in the amount of 4% of Gross Receipts of the School, including the Gross Receipts derived from any Satellite Location or Annex. We may assess a continuing monthly marketing fee in a lesser amount than the amount we have the right to assess if we determine, in our sole business judgment, that the lesser amount will purchase an appropriate level of marketing for the brand or the TGS Marketing Fund, provided that assessment of a lesser amount does not constitute a waiver of our right to assess the full amount authorized under this Section 5B. Unless required by applicable law, we will have no obligation to create a trust account, escrow account, or other special account for the TGS Marketing Fund, and the monies comprising the TGS Marketing Fund may be placed in our general account(s) if we desire. No fiduciary duty is created by the existence of the TGS Marketing Fund. We intend the TGS Marketing Fund to be of perpetual duration, but we maintain the right to terminate the TGS Marketing Fund or to create new accounts or merge accounts. We will not terminate the TGS Marketing Fund until all money in the TGS Marketing Fund has been expended for marketing, promotion or other appropriate purposes or returned to contributors on the basis of their respective fees.

All monthly marketing fees shall be payable at the same time as the monthly royalty fee as provided in Section 4B above. We may designate an affiliate to administer the TGS Marketing Fund and/or marketing and promotional programs for us, and may transfer to our affiliate all or a portion of the marketing fees paid by you, and we may direct you to pay all or a portion of your monthly marketing fees directly to our affiliate. We or our affiliate will direct all marketing, promotion or other appropriate uses to be undertaken through the use of the TGS Marketing Fund in our or our affiliate's sole business judgment. We or our affiliate will have control over all creative concepts, materials and media used in all programs and the placement and allocation of all programs. Neither we nor our affiliate has an obligation to spend any or all of the marketing fees within the period or the year collected. We may use the fees for marketing for future time periods, or to reimburse us or our affiliate for expenses incurred before collection of the marketing fees from you or other franchisees. Marketing fees are non-refundable. We or our affiliate may receive and retain discounts or commissions from the placement of marketing. We may estimate your Gross Receipts and collect estimated continuing marketing fees if you fail to report your Gross Receipts on a timely basis, as provided in Section 4B.

You acknowledge our right to pay from the marketing fees collected all costs and expenses related to the formulation, development, production, media and all other costs of marketing and promoting The Goddard School® brand including operating expenses and the proportionate compensation of our and our affiliates' employees who devote time and render services in the conduct, formulation, development and production of marketing and promotion programs or who administer these funds. These marketing and promotion costs and expenses may include website development and costs, web-based marketing development, intranet development and costs, reputation management, marketing automation tools, email marketing, public relations, digital and non-digital media vehicles, content management software, licensed content and imagery, SEO software, agency fees, toll-free school locator costs, fees for consultants to assist with strategy development, research, general marketing and system projects, and costs and fees related to the research and development of potential products and services, materials and other services intended to promote The Goddard School® brand or increase School enrollment such as surveys, mystery shops, teacher recruitment and retention, and other activities intended to promote the goodwill of the brand or System. You further acknowledge that marketing fees payable under this Agreement will <u>not</u> be used to pay for your print and online business listings advertisements or the costs of any services that you engage directly and that we or our affiliate do not provide, for example, social media placement firms (see Sections 5C, 5D and 5E below). We will spend all marketing fees for media and advertising as described in this Agreement on a national, regional and/or local basis. We reserve the right to include a message or statement in any marketing indicating that franchises are available for purchase and related information. You agree that marketing and promotion conducted by us is intended to maximize general public recognition and patronage of Goddard Schools in the manner that we determine in our sole business judgment to be most effective. Therefore, we undertake no obligation to develop, implement or administer the marketing programs to ensure that the School will benefit directly or in proportion to the amount you contribute from the placement of marketing. We do not have to spend any amount on advertising in the area or territory where the School is located. If you request in writing, we will provide an annual statement of receipts and disbursements of the TGS Marketing Fund. The TGS Marketing Fund receipts and disbursements are not subject to audit. You may have to purchase marketing materials produced by the TGS Marketing Fund or by us or our affiliates; we, our affiliates or the TGS Marketing Fund may make a profit on the sale.

C. You acknowledge the need to market and promote your business on a local basis in accordance with our then current guidelines and standards, which are in the Manual. Accordingly, you agree to execute school specific marketing and advertising, however the payment of these services are your sole responsibility. You agree that your obligation to execute school specific marketing and advertising under this Agreement is not diminished notwithstanding the actual amount of expenditures by other franchisees of ours, or of default of this obligation by any other franchisees. We may designate one or more marketing agencies and/or other suppliers for all national, regional and local marketing and you must engage the designated agencies and/or other suppliers for local marketing if we do so.

D. We will secure the telephone number and listing for the School including any approved Annex or Satellite Location. Either we or you will own the telephone number depending on the telephone service you choose. Typically we will own the telephone number in the case of a landline, but you will own the telephone number in the case of VOIP (Voice Over Internet Protocol) telephone service and certain other telephone service options. You shall notify us in writing of all telephone numbers and telephone service providers used by the School, including any approved Annex or Satellite Location, and you shall promptly notify us in writing of any change or addition of telephone numbers and telephone service providers for the School. At your request, we will consider and may, in our sole business judgment, contract for any changes for telephone service providers of the School if we own the telephone number. We shall have the right to control all business listings advertising, including any Internet based advertising. We shall determine, in our sole business judgment, the size of display advertisements and the type of advertisements to be placed in all business listings advertisements. You agree to pay the telephone company directly for all telephone numbers you own or use. You also agree to reimburse us upon your receipt of an invoice from us, for all telephone bills we may pay with respect to telephone service and telephone number(s) used by the School (whether or not you own the telephone number(s) or have direct responsibility to the telephone company.) We will place all print and online business listings advertising for you and other franchisees of the System.

E. All marketing and promotion by you of any type shall be conducted in a dignified manner and shall conform to the standards and requirements we prescribe. You shall submit to us, for our approval, samples and descriptions of all marketing and promotional plans, webpages, electronic content, emails, signs, materials and methods of delivery that you desire to use and that have not been prepared or previously approved by us. You shall not use any marketing or promotional plans, webpages, electronic content, emails, materials or methods of delivery or posting unless and until approval has been obtained from us, and you shall not use any marketing or promotional program that was approved by us more than 12 months before your planned date of publication, posting, delivery or use, without first receiving our written approval to use or publish those materials. At our request, you will include a message or statement in any advertisement, including any signs you purchase at your expense, indicating that franchises are available for purchase and related information.

F. You shall not develop, own or operate any website, webpage, domain name, email address or other identification of the School using the Proprietary Marks or otherwise referring to the School without our prior written consent, which we are not obligated to provide. The restrictions on your marketing in Section 5E and this Section 5F include any electronic medium for communication, including websites, webpages, email, texting, blogs and social networking sites.

G. The telephone numbers we secured and provide to you, or that you secure and own and identify to us in written notice, shall be the only telephone numbers used in all marketing in any medium, including any toll-free line. You shall not own any toll-free lines without our written approval.

H. In an effort to maximize the efficiency of marketing and promotions, we may, from time to time, purchase marketing or otherwise advance funds on your behalf in advance of your initial marketing fee or otherwise. We shall be entitled to full reimbursement from you of any funds we advanced for your benefit. Reimbursement shall occur upon our request. In addition, if the Franchise Agreement is terminated, expires or is transferred before we have been fully reimbursed for any advanced funds, you must immediately reimburse us any outstanding amounts due under this Section 5H.

6. **DUTIES OF FRANCHISEE**.

A. You are required, at your expense, to purchase or lease a suitable location which we have approved for the operation of the School, including any approved Annex or Satellite Location. Before signing any lease or purchase agreement, you must obtain our approval of the lease or purchase agreement. The term of the lease must be at least the full term of this Agreement, five (5) years (which may include option terms), and coterminous with the effective and expiration dates of this Agreement. We will not unreasonably withhold our approval of a lease or purchase agreement, but you agree to the following provisions, which we may require be stated in the lease:

(1) the premises shall be used only as The Goddard School;

(2) no part of the premises may be assigned or subleased except as part of a sale of the School approved by us;

(3) we shall have the right to enter the premises to inspect and make any modifications we deem necessary to protect the Proprietary Marks;

(4) we shall have the right to receive an assignment of the lease on termination of the Franchise Agreement; and

(5) you shall not make any changes to the building or premises without our consent.

If you lease your School premises, including any approved Annex or Satellite Location, you will sign a collateral assignment of your lease in a form we require to secure your obligations to us under the terms of the Franchise Agreement, and you will obtain the landlord's consent to the assignment, also in a form we require. In addition, if you lease your School premises, including any approved Annex or Satellite Location, the individuals or affiliated business entity on the lease must be the same as the individuals or entity that is the franchisee under this Agreement (following any transfer of this Agreement to an entity for convenience of ownership as provided in Section 12D).

If you or a business entity affiliated with you purchases the site for the School, including any Annex or Satellite Location, in addition to items 1, 2, 3 and 5 above of this Section 6A, you or the affiliated entity shall sign our Option to Lease Agreement and Right of First Refusal, which gives us the option to lease the premises on termination of this Agreement and a right of first refusal if you sell any interest in the property during the term of the Franchise Agreement. You shall notify us immediately of any change in ownership of the premises of the School during the term of this Agreement, and you shall notify us before the acquisition of the premises by you or a business entity affiliated with you. If you initially lease the premises and then you or a business entity affiliated with you acquires the School premises during the term of this Agreement, you or the entity must sign our then-current Option to Lease Agreement and Right of First Refusal when you acquire the premises. If you or a business entity affiliated with you purchases the School premises, any entity that owns the School premises must be a separate entity from the entity that is the franchisee under the Franchise Agreement (following any transfer of this Agreement to an entity for convenience of ownership as provided in Section 12D), and you must submit to us for our prior review a lease between you or the franchisee entity and the affiliated entity that owns the property.

You shall submit to us for prior approval all construction plans, site plans and blueprints for each location we approve, including any proposed sites for relocation of the School, including any Annex or Satellite Location, and any Annex, Satellite Location, or expansion or material alterations of the premises or playgrounds of the School, including any Annex and any Satellite Location. We will provide prototypes of building plans and you will need to hire an architect and engineer. We, in our sole business judgment, may require you to engage and pay third party design/build professionals we designate or if we do not designate design/build professionals you must use, we, in our sole business judgment, may require you to engage and pay a third party construction manager we designate or approve for construction management services in connection with the development and construction of the School, any Annex, Satellite Location, or other construction project. The services of a qualified, licensed architect and engineer, who we have approved or designated for use by our franchisees, will be required to adapt our prototype building plans and specifications for the remodeling or finish-out of the School. We may from time to time develop or approve variations with respect to our prototype locations and plans although we have no obligation to do so. If the current prototype building plans have never been used in the state in which the School will be located, or the School will be located in a retro-fit building, you may have to pay additional fees to the architect and engineer to bring the prototype into compliance with state-specific requirements. We may condition our approval of any expansion, Annex, Satellite Location and material alterations on your obtaining certain insurance coverage before beginning construction, or on other terms. During construction, you shall obtain our approval on all change orders and material modifications to the approved plans. If you enter into a contract with third party design/build professionals, developer or contractor for the construction or expansion of the School, including any Annex or Satellite Location, the contract shall contain a substantial completion date, and you shall submit a copy of the contract for our files. You agree to adhere to and comply with our site selection, site development and construction processes including securing the adherence to these processes by your developer and/or contractor(s).

Any expansion, Annex, Satellite Location, and material alterations of the School premises or playgrounds (including material alterations to any Annex or Satellite Location) shall become part of the School premises for all purposes under this Agreement, including without limitation (i) the requirements under this Section 6A, including but not limited to the requirement that the premises shall be used only as The Goddard School, and (ii) the Gross Receipts reporting requirements under Section 10B and continuing monthly royalty and continuing monthly marketing fee payment obligations under Section 4A(5) and Section 5B respectively. No additional initial license fee, initial training and opening support fee or initial marketing fee shall be payable solely in connection with any expansion, Annex or material alteration pursuant to Sections 4A(1), 4A(2) or 5A, but a Satellite Location Fee pursuant to Section 4A(7) (instead of an initial license fee), a Satellite Location assistance fee pursuant to Section 4A(2) (instead of an initial training and opening support fee) and an initial marketing fee shall or may be payable in connection with the development of a Satellite Location and a convention deposit pursuant to Section 4A(6) and a background check fee pursuant to Section 4A(3) may be payable in connection with the development of an Annex or a Satellite Location. For the purposes of the accounting and records requirements of Section 10, any expansion, Annex, material alteration or Satellite Location will have a computer system, including all hardware, software and firmware and IT Security, network equipment / wireless access point devices, and a telephone system, including network and telecommunications infrastructure products and support services, on the premises, but they will be integrated with and not separate from the computer system and IT Security and network equipment / wireless access point devices installed at the associated School, but we may require that you be able to identify Gross Receipts and costs associated with any Annex or Satellite Location and that you have a separate telephone number for any Annex or Satellite Location. We may charge you a reasonable fee, up to the amount of our then-current site development fee, for our services in connection with any relocation, expansion, Annex and material alterations of the School, including any Annex, and we may charge you $8,750 for our services in connection with the development of any Satellite Location or any relocation, expansion and material alterations of a Satellite Location, pursuant to Section 4A(4).

B. You shall develop the School, including any approved Annex or Satellite Location, in the manner prescribed by us for Goddard Schools, including the implementation of the System, and shall use in the development and operation of the School only those approved suppliers we designate or those brands and types of equipment and supplies which meet our standards and specifications. Our approval or designation of a brand or type of equipment or supplies or our approval or designation of a vendor or supplier does not constitute our guaranty or warranty of the equipment or supplies or of the vendor or supplier. We may designate an approved sole supplier or approved sole suppliers, including ourselves and our affiliates, for any one or more items, and you will have to purchase (at then-current prices) from them or us. We may share with suppliers certain information about you and your ability to pay for the costs associated with opening the School, including commitment letters from your lender(s) and/or similar documentation. We may obtain revenue from you and make a profit. We require that you purchase certain products and services from our approved suppliers directly or through design/build professionals we designate. We may receive fees and other payments from suppliers and others in connection with your purchases and we may use the fees for our own purposes. If we offer to issue purchase orders to you which we will submit to approved suppliers on your behalf for you to purchase from third parties, you shall sign and return our then-current form of purchase orders at the time you place your order for items you choose to buy through purchase orders we issue. The purchase orders you will sign may differ from the sample purchase orders attached to our disclosure document.

C. You must investigate, keep informed of and strictly comply, at your expense, with all applicable local, state, and federal laws, rules, regulations, ordinances, standards, and directives in effect at any time related to the construction and operation of the School, including any approved Annex or Satellite Location, and the use of any furniture, fixtures, equipment and signs. These include (without limitation) licensing requirements; "star" ratings or a point system to designate the quality of the facility; specified minimum indoor and outdoor physical facilities and equipment; personnel screening obligations involving background checks and criminal records checks; personnel credentials, age restrictions and training requirements; obligations to report evidence of child abuse and neglect; food service requirements; requirements that playground structures provide shade; a prohibition on marketing before the operator is licensed or the business opens; and record keeping. Other applicable laws include (without limitation) the Americans with Disabilities Act and other federal and state laws relating to employees and customers with disabilities; the Fair Labor Standards Act, the Occupational Safety and Health Act and other federal and state laws governing minimum wage, overtime, working conditions and other employment-related subjects; Title VII of the Civil Rights Act, the Equal Employment Opportunity Act and other federal and state laws relating to discrimination and harassment; laws governing various other matters, such as privacy and data information security; laws applicable to health, sanitation, smoking, safety, fire and other matters; tax laws; environmental laws; and laws relating to citizenship or immigration status. Before you open the School, you must obtain all permits and certifications required to operate the School, including all business or other licenses and all zoning, access, signs and fire permits and approvals. You acknowledge the need to retain your own legal counsel to assist you in complying with these obligations throughout the term of this Agreement and any renewal terms, and further acknowledge that no employee or legal counsel of ours can or will provide you with legal advice at any time. Accordingly, you agree not to rely, or claim to have relied, on our employees or legal counsel for legal advice.

D. The franchisee you have designated, and we have approved, to conduct the day-to-day management and operation of the School (the "designated on-site operator"), shall have attended and completed to our satisfaction all requirements of our prescribed initial training program. We and you acknowledge that this Agreement is a renewal Franchise Agreement, the School has been open and in operation and your current designated on-site operator has previously completed an initial training program to our satisfaction. We shall not be obligated to provide an initial training program to you, and you shall not be obligated to attend an initial training program before the opening of the School under this Agreement. All other training obligations remain binding. We may require you to attend and satisfactorily complete refresher training as a condition of the renewal, either before or after the effective date of this Agreement. The designated on-site operator must have at least a 10% ownership interest in the School and must devote full time, energy and efforts to the management and operation of the School, as stated in Section 16A. You may not change the designated on-site operator during the term of this Agreement without our prior written approval. The designated on-site operator must have attended and completed to our satisfaction all requirements of our then current initial training program. Any replacement designated on-site operator must attend and complete to our satisfaction all requirements of our then current initial training program. Any other individual named as a party to this Agreement and responsible for the day-to-day operations of the School must attend and complete to our satisfaction all requirements related to our then-current initial training program. Only individuals who have satisfactorily completed all requirements related to our initial training program we prescribe or our Director Initial Training Cohort Program described in Section 6F may lead tours of the School for parents of prospective students or others or serve in a management role in the School with respect to overseeing the relationship with parents of the School's students or School employees. Training may take place in one or more sessions, with a session varying from one or more consecutive days to two or more consecutive weeks and you will have to plan your schedule accordingly. We shall deliver training through a blend of online coursework, virtual, live sessions and in person training at our corporate offices or at another training site we select in accordance with our then current training program and via virtual and/or in-person one-on-one small group training. No training fee shall be payable for training we provide under this Section 6D and Section 3A to up to two individuals named as parties to this Agreement but we may charge an additional fee for any additional individuals who attend training. We shall provide and pay only for training instructors, facilities and training materials. You must pay for the expenses of all individuals during training, including the cost of food, all transportation and lodging costs for any in-person training portion.

E. At our request, you shall attend and fully complete supplemental or refresher training programs, which may take place over two or more consecutive weeks, and any sales meetings, operations meetings, marketing meetings and conventions that may be offered by us from time to time during the term of the franchise. These programs, meetings or conventions shall be at the times and places we designate or delivered via our online learning management system, Internet, webinar or other form of electronic communication. You shall bear any transportation and lodging expenses for any in-person portion of the program and all other expenses incurred during any programs, including the cost of food, for all individuals attending. We shall provide and pay only for training instructors and materials. We will not charge any fee for these programs, except we do charge and you shall pay: (i) a registration fee for our conventions; and (ii) our then-current retraining fee, plus our personnel's travel expenses (including the cost of food, all transportation and lodging costs), for us to provide on-site training at the School if you fail to timely cure a default. Our rights under this Section 6.E. will be in addition to any other rights or remedies available to us (including the right to terminate this Agreement pursuant to Section 13).

F. You shall implement a training program, at your sole expense, for all employees and individuals conducting day-to-day management and operation of the School, including any approved Annex or Satellite Location, which training must be in accordance with any training standards and procedures we prescribe from time to time. You will only employ individuals who have literacy and fluency in the English language sufficient to adequately communicate with students, their parents, other employees and suppliers, as applicable to their duties. You shall maintain at all times a staff of trained employees sufficient to operate the School, including any Annex and any Satellite Location, in accordance with this Agreement and applicable law. You agree not to employ any person who is required to complete a training program but who fails to complete it successfully or who refuses to do so. If you operate a Satellite Location or an Annex that is detached from the associated School building, the Satellite Location or the Annex must have dedicated trained staff for the office or other functions we require in the Manual or otherwise in writing. You must have one full-time director, and any additional full-time directors we may deem appropriate from time to time in our sole business judgment for the School. A Satellite Location must have one Goddard-trained full-time director dedicated solely to the Satellite Location, and any additional full-time directors we may deem appropriate from time to time in our sole business judgment dedicated to the Satellite Location and sufficient dedicated trained staff to meet state childcare licensing requirements. Your director must (i) successfully complete training in accordance with our standards; (ii) be qualified to perform the duties of a director and manage the day-to-day operations of the School according to any applicable federal, state, or local requirements; and (iii) satisfy all brand standards specified in the Manual. You must notify us of the identity of your director and provide any information we request to confirm that the director complies with the above requirements. You agree to send your primary director and any replacement primary director to our Director Initial Training Cohort Program within our then-current director training timeline and to pay us the director's training fee then being charged. Your director(s) must complete all training requirements to our satisfaction. We may require that your director(s) attend and complete all requirements of repeat or supplemental training. Our Director Initial Training Cohort Program shall be at the times and places we designate or delivered via our online learning management system, Internet, webinar or other form of electronic communication. You must pay for your director's salaries and expenses during training, including all travel costs, including food, transportation and lodging, if in-person training is required as part of our then-current Director Initial Training Cohort Program. You will be solely responsible for all employment decisions and functions, including hiring, firing, discipline, supervision, scheduling, setting terms of employment and compensation and implementing a training program for employees of the School in accordance with training standards and procedures we prescribe in order for you to conduct the operations of the School at all times in compliance with our requirements. You will never represent or imply to employees or prospective employees that they will be or are employed by us or our affiliates, and you will use the name of your corporate operating entity on all formal communications to employees and prospective employees, including offer letters and paychecks.

G. You shall maintain the School, including any approved Annex or Satellite Location, in the highest degree of safety, sanitation, repair and condition as needed, and shall perform any periodic repainting, repairs and replacement of impaired or obsolete existing improvements, indoor and outdoor equipment and signs as we may reasonably direct. At our request, which shall not be more often than once every three years, you shall refurbish the School at your expense, to conform to our then-current standards and trade dress, and shall make any structural changes, remodeling, redecorating, replacements, modifications and additions to existing improvements, indoor and outdoor equipment and signs as we may require.

H. You shall render prompt, professional, courteous and willing service to all customers and/or students of the School, including any approved Annex or Satellite Location, and agree to handle all customer complaints promptly and courteously.

I. You shall comply with all quality assurance and service standards we prescribe from time to time, including the following accreditation or state quality recognition requirement. We may require that you apply for and earn School accreditation through a national accreditor we approve or achieve at least second level quality recognition from your state's Quality Rating and Improvement System within 18 months after the School opens for business, or by a later date we determine in our sole business judgement, and then maintain your accreditation or quality recognition.

J. You shall offer all services that we from time to time require or authorize in writing for Goddard Schools. You shall not offer any other services without our written consent. You may not sell any products or services to our other franchisees without our prior written approval, which we are not obligated to provide.

K. You shall make all payments required under this Agreement or any other agreement between you and us or between you and our subsidiaries or affiliates, in the manner and at the time prescribed. You shall also make timely payments of all your obligations to your suppliers, vendors, lenders, lessors, employees, taxing authorities and others in connection with your operation of the School.

L. You shall notify us in writing within 24 hours of the commencement of any action, suit or proceeding against or involving you or the School business or premises, including any approved Annex or Satellite Location, and of the issuance of any report, order, writ, injunction, award or decree of any court, agency, police authority or other governmental instrumentality that may adversely affect any permit, certificate or license, the operation of the School, your financial condition or the financial condition of the School or any of your Owners (as defined in Section 13A(1)), including events described in Section 13A(1). Without limiting the breadth of this paragraph, this notice requirement includes action against professional services or credentials of the School or of any employee or independent contractor employed at the School, any failed inspection report, or any other alleged or substantiated violation of laws, rules, or regulations. You shall send us a copy of all notices or other documents received from any court, agency, police authority or other governmental instrumentality, or if no document was received, otherwise inform us in writing of any verbal notice or warning or any action taken or proposed to be taken, within 24 hours of receipt of any document, warning or verbal notice or the taking of any action, and shall otherwise notify us of any adverse claims, charges, or potential claims or charges against you, your employees and independent contractors, any of your Owners or any affiliates of the franchise entity, including those described above. If you fail to notify us and/or provide us with copies of a notice or document as required, we shall have the right to collect from you a late reporting fee in the amount of $50 for each and every failure and/or refusal to comply and for each and every repeated failure and/or refusal plus in each event $25 per day, beginning on the third day from the date performance is due, through and including the day the default is cured. Neither your requirement to pay nor our receipt of any late reporting fees shall be deemed to waive or restrict our right to declare a default and terminate this Agreement for your failure and shall otherwise be in addition to any other remedies we may have under this Agreement or otherwise. These fees will be payable within 30 days following your receipt of notice of the fee and we may withdraw the amount from your operating account pursuant to your pre-authorized draft forms as provided in Section 4G.

M. You shall obtain a computer system, including all hardware, software and firmware and network infrastructure, including a router and firewall (IT Security), network equipment / wireless access point devices, and telephone system, including telecommunications infrastructure products and support services, as we direct according to the then current IT Hardware Standards as set forth in the Manual or otherwise, for the School and as applicable, any expansion, Annex, material alteration or Satellite Location. Any Annex or Satellite Location will have a computer system, IT Security, network equipment / wireless access point devices, and telephone system on the premises, but they will be integrated with and not separate from the computer system, IT Security, network equipment / wireless access point devices, and telephone system installed at the associated School, including our proprietary software (currently called Franchise Management System (FMS)) and website systems, but we may require that you be able to identify Gross Receipts and costs associated with any Annex or Satellite Location. You shall subscribe to an Internet service provider approved by us. Our approval or designation of a product or service or our approval or designation of a vendor or supplier does not constitute our guaranty or warranty of the product or services or of the vendor or supplier. You shall also obtain computer network infrastructure, IT Security, network equipment / wireless access point devices, and telecommunications infrastructure products and services required to support our information technology systems, including high-speed Internet access, and shall keep those systems current as we direct according to the then current IT Hardware Standards as set forth in the Manual. Your computer system must be able to securely access the Internet through service provided by a high-speed Internet Service Provider, and send and receive email and attachments on the Internet. We shall have the right to access student, customer, financial, and all other information related to the operation of the School, from a remote location, without the need for consent, at the times and in the manner as we shall require, in our sole business judgment. We may modify our specifications, and you shall install additions, substitutions, and upgrades to the computer system, including all hardware, software and firmware and network infrastructure, including a router and firewall (IT Security), network equipment / wireless access point devices, and telecommunications infrastructure products and support services to maintain full operational efficiency and to keep pace with changing technology, manufacturer required updates, and updates to our requirements. You shall access website(s) and/or intranets we maintain on a regular basis. We may elect to provide any information we are required to or desire to communicate to you solely through our website(s) and/or intranets or other electronic means without any need to provide you with a paper copy or other physical format. We may also authorize suppliers and other third parties to communicate to you on our website(s) and/or intranets and you shall access their communications if we direct. You shall comply with all of our standards, specifications, policies and procedures related to the use of computers, the Internet and activities conducted over websites. You shall not provide access over the Internet to any surveillance cameras without our written approval. If you accept payment by credit or debit card, you shall comply with all Payment Card Industry ("PCI") standards and shall use best efforts to protect employees, students and their parents against identity theft and theft or misuse of personal information. You shall comply with Sections 17C, 17D and 17E concerning personal information and security measures, privacy policies and procedures. Any Annex and any Satellite Location will not have its own separate computer system and website systems.

N. You shall protect all user IDs, passwords, or other login and user authorization credentials, issued by us, as Confidential Information. You agree not to share these credentials with anyone who does not have a business need to know and use this information. You also agree to immediately report to us if you discover or suspect that login credentials may have been compromised or accessed by unauthorized persons. You shall install and configure endpoint security and data loss threat prevention software we specify and authorize us to monitor endpoint security and data loss threat prevention software on your computer systems. You agree to update/upgrade the software, from time to time as we specify, to remain effective against evolving threats and vulnerabilities. You agree to authorize us to periodically monitor and scan your systems to detect and remediate known security vulnerabilities and other malicious activities, to include monitoring for outdated security patches. You agree to authorize us to block, disable, or revoke your access to our applications, websites, systems, or network, if necessary, to respond to suspected or detected malicious activities. You agree to ensure all business information and personal data is wiped from your computer equipment prior to being turned in or recycled. From time to time, we are required to respond to audits to validate and attest to our ability to comply with legal and contractual data protection and IT security obligations. You agree to cooperate and provide support, as needed, for areas of the audit that includes, but may not be limited to your computers, credit card processing activities, and data handling processes and procedures. You agree to use only the platforms and programs provided or approved by us for the collection and storage of information related to the business, including but not limited to customer data, enrollment data, financial data, student data, etc.

O. After we have approved the location of the School, including any Annex or Satellite Location, or granted approval of your construction plans, site plans and blueprints, you shall not relocate the School or make any material changes, including any expansion or adding any Annex or Satellite Location, or relocate or make any material changes to any Annex or Satellite Location, without our prior written approval. All construction or renovation, and all real estate leasing or purchase arrangements, in connection with any material changes, including any expansion, or any relocation, including with regard to any Annex or Satellite Location, will be subject to our prior written approval and the other requirements of this Agreement, including Sections 6A, 6B and 6C. You shall notify us promptly if you receive zoning or other governmental approval in preparation for any material changes, including any expansion or addition of any Annex or Satellite Location, relocation, or any material changes to any Annex or Satellite Location. Any expansion of the School (including any Annex or Satellite Location) or relocation will be subject to the terms of this Agreement and any other agreements you have with us regarding the development or operation of the School.

P. You acknowledge that we endeavor to positively position the Goddard School brand with all key stakeholders and audiences, including the news media. All media inquiries made to you or the School should be directed to us immediately (but not later than 24 hours after the inquiry is made). Additionally, all opportunities for press or media coverage should be directed to us for review and approval. We will provide guidance and support regarding responses to media inquiries, as well as engaging with the press and news media. You will not make or issue any statements to the news media about The Goddard School and/or make any statements that may affect The Goddard School brand without our approval. Further, you will not represent that you are an authorized spokesperson or media representative for The Goddard School brand, us, or our affiliates. You shall comply with our Public Relations policies and procedures, which are accessible in the Manual, which may change from time to time. You shall alert us immediately to any potential crisis situation relating to the School, including any approved Annex or Satellite Location. You shall follow our policies and procedures for managing public relations and communications regarding a crisis situation as we direct in the Manual or otherwise. You shall not engage with media to any crisis situation without our prior approval. For purposes of this Agreement, a potential crisis situation includes (but is not limited to) any allegation or occurrence of abuse, neglect, or mistreatment of a child; any allegation or discovery that a child has been released to an unauthorized person; any occurrence of unlawful conduct in the School; any allegation or discovery of any hazardous or unlawful substance associated with the School; any outbreak of serious illness associated with the School or any allegation or discovery of any breach of computer or camera systems, loss of data, files or personally identifiable information. Because of the potential damage to the System and the goodwill associated with the Proprietary Marks, if you fail to alert us immediately of any potential crisis situation after you know or should reasonably know of the existence of the potential crisis, you shall pay us a late crisis notification fee of $2,500 for each and every failure to notify plus $500 per day beginning on the second day from the date notification is due, through and including the day the default is cured, to compensate for our added crisis-management efforts resulting from the late notification. Neither your requirement to pay nor our receipt of any late crisis notification fees shall be deemed to waive or restrict our right to declare a default and terminate this Agreement for your failure and shall otherwise be in addition to any other remedies we may have under this Agreement or otherwise.

Q. You are not, and shall not at any time be named, either directly or by an alias or nickname, on the list of Specially Designated Nationals or Blocked Persons, which includes the names of suspected terrorists, as designated by the United States Department of the Treasury's Office of Foreign Assets Control. You acknowledge that we intend to comply, and you must comply, with all prohibitions against corrupt business practices, money laundering and support of terrorist activities, including those contained in the United States Patriot Act, Executive Order 13224, and related United States Treasury regulations and any similar law ("***Anti-Terrorism Law***"). You will immediately notify us of any misrepresentation or breach of this Section. We may terminate this Agreement without any opportunity for you to cure under Section 13A(9) upon any misrepresentation or breach by you of this Section.

R. In addition to our rights to review financial information under Section 10F, you grant us or our representatives or agents the right at any time during normal business hours, and without prior notice, to enter and inspect the School premises and all aspects of the operation of the School, including any approved Annex or Satellite Location. You agree that our right to inspect includes the right to utilize a mystery shop program to evaluate the conduct of the School and you consent to any mystery shop program. You will allow us or our representatives or agents to make extracts from or copies of any of these materials and to take samples of any products sold and immediately remove any unauthorized products without any payment or other liability to you. You will allow us or our representatives or agents to take photographs, videos or any electronic record of the School and to interview employees, students and parents. We will have the exclusive right to use any photograph, video, electronic record or other material prepared in connection with an inspection and to identify the School and we will not have any obligation to obtain your authorization, or to compensate you in any manner, in connection with the use of these materials for marketing, training or other purposes. If we give you notice of any deficiency detected during an inspection, you will diligently correct the deficiency as soon as possible.

S. You authorize us to use information concerning you and the School, including any approved Annex or Satellite Location, for business purposes relating to the administration of this Agreement, the operation of the System and disclosure required or permitted by federal or state laws or regulations in connection with the sale of franchises. This information includes your name, business and home addresses, home or mobile telephone numbers, email addresses, business financial information, results of inspections and business records. We may identify you as the source of the information. The persons we may disclose this information to include prospective and existing franchisees, suppliers, landlords, financial institutions, our affiliates, the TGS Marketing Fund, local purchasing cooperatives and marketing funds and includes the right, but not the obligation, to disclose information regarding your compliance, any defaults and the termination of this Agreement.

T. You confirm your authorization for any background check (including credit and criminal) that we and our agents have conducted on you, and further authorize us and our agents to conduct additional background checks (including credit and criminal) that we deem necessary or desirable in our business judgment, including in connection with the development of an Annex or Satellite Location. You shall bear the cost of all background checks we conduct in connection with your application to be a franchisee, any renewal or transfer, or the addition of a new spouse or any other individual franchisee, as authorized and provided in Section 4A(3), Section 2B(6), Section 12B(5), Section 12I or Section 10G, or in the event we deem it necessary under this Section 6T, except that we shall bear the cost for a background check we conduct under this Section 6T if the background check is within five years of the last check on the individual and is not related to development of an Annex or Satellite Location, a renewal, addition of a new spouse, or a transfer. You shall promptly provide us with authorization forms required by our agents and any other documentation we require following any request by us. You agree that any background check authorization documents you provide to us or our agents shall remain in effect during the term of this Agreement, to the extent allowed by applicable law.

U. [Intentionally deleted as not applicable to a renewal situation.]

V. You shall comply with all other requirements set forth in this Agreement.

7. **PROPRIETARY MARKS**.

A. Your right to use the Proprietary Marks is derived solely from this Agreement and is limited to the conduct of business by you pursuant to and in compliance with this Agreement. You agree that all usage of the Proprietary Marks and any goodwill established thereby shall inure to our exclusive benefit. You acknowledge that this Agreement does not confer any goodwill or other interest in the Proprietary Marks upon you. You agree to modify or discontinue use of any Proprietary Mark and/or use one or more additional or substitute Proprietary Marks, at any time, if we determine, in our sole business judgment, that it is advisable to do so.

B. You agree that after termination or expiration of this Agreement, you will not directly or indirectly at any time or in any manner identify yourself as a current or former franchisee of our System or any business as a current or former Goddard School or as otherwise associated with us or our affiliated companies, or use in any manner or for any purpose the Proprietary Marks or any colorable imitation thereof.

C. You agree to operate, advertise, market and promote the School under the trade and service mark "The Goddard School", provided that you shall identify yourself as a franchisee and the owner and operator of the School in the manner we prescribe. You and your employees shall not use the Proprietary Marks as part of any business entity name or Internet domain name or with any prefix, suffix or other modifying words, designs or symbols, or in any modified form, nor may you use the Proprietary Marks in connection with any unauthorized service in any manner not expressly authorized by us. You agree to prominently display the Proprietary Marks on all invoices, stationery and other forms and any other materials designated by us, and in the manner we prescribe, and to obtain any fictitious or assumed name registrations as may be required under applicable law. Notwithstanding anything to the contrary in this paragraph, you will use the name of your corporate operating entity in all formal communications to employees or prospective employees, including offer letters and paychecks.

D. You shall promptly notify us of any use by any person or legal entity other than you, us or another of our franchisees of any Proprietary Marks, any colorable variation thereof, or any other mark in which we have or claim a proprietary interest. You further agree to notify us promptly of any litigation instituted by any person or legal entity against you involving the Proprietary Marks. If we, in our sole business judgment, undertake the defense or prosecution of any litigation relating to the Proprietary Marks, you agree to sign any and all documents, and to cooperate and render any assistance as may, in the opinion of our lawyers, be reasonably necessary to carry out the defense or prosecution.

8. **CONFIDENTIAL OPERATING MANUAL**.

A. In order to protect our reputation and the goodwill of Goddard Schools and to maintain uniform standards of operation under the Proprietary Marks, you shall locate, construct, furnish, equip and operate the School in accordance with the Manual, which has been previously made available to you. Our approval or designation of a brand or type of product or services or our approval or designation of a vendor or supplier does not constitute our guaranty or warranty of the product or service or of the vendor or supplier. You must operate the School in strict conformity with the methods, standards and specifications we provide, which may change from time to time. You may not deviate from our standards and specifications by using or offering non-conforming products or differing amounts of any products or offering non-conforming services, without obtaining our prior written consent. You must sell and offer for sale only those products and services that we have expressly approved for sale in writing. The Manual consists of operating manuals, videos and materials which contain mandatory and suggested specifications, standards and operating procedures. We may provide the Manual and other information electronically, including by email or by access to an intranet.

B. The Manual and its contents shall at all times remain our property. We may change any standard, specification or operating procedure or any of the Proprietary Marks applicable to the operation of the School or change all or any part of the System through changes in the Manual's contents or notice to you and you shall comply with each new or changed standard at your expense, by the date or dates we direct. The mandatory provisions of the Manual shall constitute provisions of this Agreement as if fully set forth in this Agreement and all references to this Agreement shall include the mandatory provisions of the Manual. We may vary the standards and specifications to take into account unique features of specific locations or types of locations, special requirements and other factors we consider relevant in our sole business judgment.

9. **CONFIDENTIAL INFORMATION**.

A. The Manual and its contents, our trade secrets and other confidential or proprietary information or compilations, any material in which we claim copyright protection, knowledge, know-how, methods and techniques concerning the methods of operation of a Goddard School (collectively, "Confidential Information") are our exclusive property and are revealed to you in confidence solely to assist you in operating the School. You shall at all times treat the Manual, any other materials created for or approved for use in the operation of the School, and the information contained in the Manual or those materials as confidential, and you shall use all reasonable efforts to maintain the information as secret and confidential. You shall not at any time, without our written consent, copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person.

B. You shall not, during the term of this Agreement or thereafter, except as permitted in this Section, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, corporation, limited liability company or other entity, any Confidential Information which may be communicated or disclosed to you, or of which you may be apprised, by virtue of your operation under the terms of this Agreement. You may divulge Confidential Information only to those employees and contractors as must have access to it in order to develop or operate the School and you shall advise them of the duty to maintain the information as confidential before communicating or divulging any Confidential Information to them. In addition, subject to applicable law, you shall obtain a written agreement, in form and substance satisfactory to us, from your director(s) and other employees, contractors, and any other person having access to the Manual or to whom you wish to disclose any Confidential Information that they shall maintain the confidentiality of the Confidential Information and they shall recognize us as third-party beneficiary with the independent right to enforce the covenants either directly in our own name as beneficiary or acting as agent. You hereby appoint us as your agent with respect to the enforcement of these covenants. An example of a separate written agreement currently considered satisfactory, including provisions to confirm our ownership of Inventions and Intellectual Property (as defined in Section 9D) is the Confidentiality Agreement attached as an exhibit to our disclosure document. You shall retain all written Confidentiality Agreements with your business records for the time period specified in the Manual or under applicable law. You shall enforce all covenants and will give us notice of any breach or suspected breach of which you have knowledge. These obligations shall survive the expiration or termination of this Agreement for any reason.

C. You will promptly notify us of any unauthorized use or misappropriation of the Manual or any Confidential Information. You will also cooperate in the prosecution or defense of any action related to the Confidential Information or the Manual, and will render any assistance we think is reasonably required to assist in this prosecution or defense. If you are compelled by a court or other body of competent jurisdiction to disclose any of the Confidential Information, you will inform us promptly by written notice and will provide reasonable assistance in obtaining and enforcing a protective order or other appropriate means of safeguarding the information required to be disclosed. You may then disclose only so much of these materials or information as is legally required to be disclosed. You further agree to notify us promptly of any litigation instituted by any person or legal entity against you involving these materials or information. If we, in our sole business judgment, undertake the defense or prosecution of any litigation relating to the use of these materials or information, you agree to sign any and all documents, and to render any assistance as may, in the opinion of our lawyers, be reasonably necessary to carry out the defense or prosecution.

D. You shall disclose promptly to us any idea, improvement, invention, concept, technique, copyright eligible work, intellectual property, software or material that you or your employees conceive, develop, discover, create or reduce to practice (a) concerning the System or the operation of the School, or (b) that results from your use of our property or the assets of the School; all such works and materials being referred to as "Inventions and Intellectual Property" or "IIP". You grant and assign to us your entire right, title and interest in and to any and all IIP. To the extent that you retain any moral rights under applicable law, you ratify and consent to any action that we may take or authorize with respect to such moral rights, and agree not to assert any moral rights with respect to such action. Any copyrightable IIP is a "work for hire" under the Copyright Act, and we shall be considered the author and owner of these copyrightable works. If an item of IIP does not qualify as a work made for hire, by signing this Agreement you assign to us ownership of any and all rights in such IIP. We may use IIP and any other information provided by you in any manner we may deem appropriate without additional compensation to or consent by you. You shall, upon request, promptly execute all applications, assignments, or other instruments that we deem necessary to apply for and obtain invention rights, patents, patent applications, letters patent, copyrights, trademarks, and reissues of any of these rights in the United States and foreign countries that are necessary to secure the complete benefit of the IIP and to confirm the assignment to us in this Section 9D of the sole and exclusive rights, title, and interest in and to your right in and to IIP. In addition, subject to applicable law, you shall obtain a written agreement, in form and substance satisfactory to us, from your director(s) and other employees, that they shall agree that IIP belongs to us, either because they constitute "works for hire" or because they assign to us ownership of IIP.

10. **ACCOUNTING AND RECORDS**.

A. During the term of this Agreement, you shall maintain and preserve, for at least seven years from the dates of their preparation (or longer period if required by law), full, complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner we prescribe from time to time. You shall keep books, records and accounts with respect to the School, including any Annex or Satellite Location, as a whole, but we may require that you be able to identify Gross Receipts and costs associated with any Annex or Satellite Location.

B. You shall submit to us, no later than the third business day of each month during the term of this Agreement, a signed statement in the form we prescribe that accurately reflects all Gross Receipts during the preceding month and any other data or information as we may require.

C. You shall submit to us, no later than the third business day of each month during the term of this Agreement, at your expense, an unaudited profit and loss statement for the preceding month and the year-to-date.

D. At our request, you shall also, at your expense, submit to us an audited profit and loss statement and balance sheet for any calendar or fiscal year during the term of this Agreement.

E. You shall submit to us, for our review or audit, all other forms, reports, records, information and data as we may reasonably request, including the School's income tax returns, bank account records, balance sheets and tax returns of any Owner (as defined in Section 13A.1).

F. We or our designees shall have the right at all reasonable times to examine your books, records, and tax returns. We shall also have the right, at any time, to have an independent audit or inspection made of your books. If any inspection or audit should reveal that any payments due us have been understated, you will pay to us immediately the amount of the underpayments with interest at the rate specified in Section 4C of this Agreement. If underpayments of more than 3% are discovered, in addition to the amounts stated in the preceding sentence, you will also pay to us immediately: (a) the cost of the inspection or audit (such as the charges of any independent accountant, attorneys' fees and travel expenses, including food, transportation and lodging, and compensation of our employees) or $10,000, whichever is greater; and (b) an amount that is equal to 10% of the amount you owe us. Interest payable under this Section 4F will be calculated from the date the amount was due until the date the amount is paid. The foregoing remedies shall be in addition to any other remedies we may have under this Agreement or otherwise.

G. You shall immediately notify us of any material change in the information you provided to us in your franchise application since the date of the application, including changes in financial condition, bankruptcy history and criminal history, death or incapacity of any individual that signed this Agreement, and any change in your marital status, home address, home telephone numbers, home email address, business address, business telephone numbers, business email address, cell phone number, and of the name and address of the owner of the School premises. If there is a material change in your financial condition, in addition to notifying us of the change, you shall provide updated personal financial statements. You shall also provide updated personal financial statements, supporting materials and any other documentation we require within 30 days of any request by us. If you are a married individual, both you and your spouse must sign this Agreement and related agreements as individuals. If there is change in your marital status, you agree to a background check (including credit and criminal) on a new spouse pursuant to Section 6T and to pay us the actual cost as provided in Section 4A(3). A new spouse shall consent to a background check and, subject to the results of the background check, shall become a party to this Agreement, or shall guarantee the obligations of an operating entity franchisee and agree to be bound jointly and severally by all provisions of this Agreement, and in either case you and the new spouse shall sign an agreement in the form we prescribe to accomplish that result. We shall consider any request to remove a former spouse from this Agreement, but we may decline to do so in our business judgment. These obligations shall survive your transfer of this Agreement to an entity for convenience of ownership and shall remain binding on you individually.

H. In addition, if you fail to timely submit to us any of the forms, financial reports, reports, records, information, data, and/or material changes in the information in your franchise application you are required to submit to us as provided above in this Section 10, we shall have the right to collect from you a late reporting fee in the amount of $50 for each and every failure and/or refusal to comply and for each and every repeated failure and/or refusal plus in each event $25 per day, beginning on the third day from the date performance is due, through and including the day the default is cured. Neither your requirement to pay nor our receipt of any late reporting fees shall be deemed to waive or restrict our right to declare a default and terminate this Agreement for your failure and shall otherwise be in addition to any other remedies we may have under this Agreement or otherwise. These fees will be payable within 30 days following your receipt of notice of the fee and we may withdraw the amount from your operating account pursuant to your pre-authorized draft forms as provided in Section 4G.

11. **INSURANCE**.

A. You must purchase and at all times during the terms of this Agreement must maintain in full force and effect, in accordance with the requirements set forth in the Manual, policies of insurance in the amounts we designate, which are currently as set forth below:

Coverage	Minimum Limits
Commercial General Liability	$1,000,000 per occurrence/$3,000,000 aggregate
Sexual Abuse & Molestation Liability	$1,000,000 per occurrence/$3,000,000 aggregate

Coverage	Minimum Limits
Teachers Professional Liability	$1,000,000 per occurrence/$3,000,000 aggregate
Corporal Punishment Liability	$1,000,000 per occurrence/$3,000,000 aggregate
Umbrella Liability	$10,000,000 per occurrence/$10,000,000 aggregate Umbrella must extend over: • Commercial General Liability • Sexual Abuse & Molestation Liability • Teachers Professional Liability • Corporal Punishment Liability
Property Insurance	Must include "special form" coverage with full replacement value coverage on all assets, including inventory, furniture, fixtures, equipment, supplies and other property (including all outdoor equipment) used in the operation of your School. Property insurance must include business income – actual loss sustained – minimum of 12 months required. Franchisees are encouraged to purchase 24 months. Franchisees with a lease must adhere to the requirements of the lease pertaining to building coverage and/or tenant improvements and betterments. Many property insurance policies will insure outdoor equipment up to a certain limit. If the full replacement value of your outdoor equipment exceeds the limit of your property insurance policy, you will need to secure a standalone Inland Marine Liability insurance policy. "**Inland Marine Liability**" means property insurance that covers outdoor property including, but not limited to, AstroTurf, outdoor fences and netting, outdoor lighting, outdoor pools, court surfaces, radio and television antennas (including satellite dishes), signs, trees, shrubs, plants, lawns, playground surfaces (Pout 'N' Play), basketball hoops, shade structures (attached and standalone), outdoor classrooms, retaining walls, guardrails, and playground equipment.
Workers' Compensation and Employers' Liability	In amounts prescribed by law
Premises Medical Expense	At least $15,000
Employment Practices Liability	In an amount not less than $1,000,000 per occurrence/$1,000,000 aggregate with a Self-Insured Retention of not more than $5,000
Cyber Liability	$500,000 per occurrence minimum/$1,000,000 aggregate Cyber Liability must include Media Liability coverage. Producers should place a note in the COI description of operations box under Cyber Liability to clarify if Media Liability coverage is afforded under the Cyber Liability Policy. Cyber Liability must also include biometric coverage if your school has a biometric access device.

Coverage	Minimum Limits
Media Liability **Only required if Media Liability is not included in Cyber Liability Policy**	$1,000,000 per occurrence/$1,000,000 aggregate
Automobile Liability	$1,000,000 Combined Single Limit for owned, non-owned and hired vehicles
Student Accident and Health Medical Policy	Including: • Accidental Medical Excess Coverage in an amount of at least $250,000 – policy should have a $0 deductible with the first $100 being primary • Accidental Death Coverage in an amount of at least $10,000 • Accidental Dismemberment Coverage in an amount of at least $20,000 • Dental Coverage in an amount of at least $1,000 with a $500 per tooth maximum coverage

All required policies are to be written on an occurrence basis except for Employment Practices Liability, Cyber Liability and Media Liability, which may be written on a claims made basis (except as prescribed by law). All policies, except for Workers' Compensation, must be written on a primary and non-contributory basis and provide a waiver of subrogation for the entities listed below. Primary and non-contributory insurance means that your insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy. A waiver of subrogation is a provision that prohibits insurers from seeking redress from a third party.

The entities below must also be named as additional insureds. All insurance policies shall contain an endorsement which provides that only actual notice to insured, if an individual, or to any executive officer of insured, if a corporation, shall constitute knowledge of the insured.

(1) Goddard Systems, LLC
(2) Goddard Franchisor, LLC
(3) Goddard Holding Guarantor, LLC
(4) Goddard Funding, LLC

B. You or your third party contractor or developer must purchase and maintain in full force and effect, according to the requirements set forth in the Manual, during any construction, renovation or remodeling work on the School premises the following types and amounts of insurance policies, all on an occurrence basis:

(1) For sites that are unoccupied and not immediately adjacent to an occupied site, Commercial General Liability ("**CGL**") in an amount not less than $1,000,000 per occurrence and $1,000,000 aggregate, with an umbrella policy of not less than $2,000,000 per occurrence and $2,000,000 aggregate.

(2) For sites that are occupied or immediately adjacent to an occupied site, CGL in an amount not less than $3,000,000 per occurrence and $3,000,000 aggregate, with an umbrella policy of not less than $5,000,000 per occurrence and $5,000,000 aggregate.

(3) Workers' Compensation and Employers' Liability in amounts prescribed by law covering all personnel working on the construction site.

(4) Builder's Risk/Installation insurance in an amount reasonably satisfactory to us. The Builder's Risk/Installation insurance must, at a minimum, cover a reasonable estimate of the cost of construction or renovation (as applicable).

(5) Job Name and Location with full address must be supplied in the Description of Operations/Locations box on the Certificate of Insurance.

(6) The following entities must be named as an additional insured:

(i) Goddard Systems, LLC
(ii) Goddard Franchisor, LLC
(iii) Goddard Holding Guarantor, LLC
(iv) Goddard Funding, LLC

C. You shall furnish us and all other persons we designate certificates issued by each of your insurers indicating that all required insurance is in full force and effect and that each insurance policy shall not expire or be terminated or changed without giving us written notice at least 30 days in advance. Within five days of our request, you shall deliver to us a copy of all insurance policies for examination.

D. All policies of insurance required by this Section 11 shall cover the School, including any Annex or Satellite Location, if applicable, be in the form and with the coverage amounts as we shall reasonably determine and shall be with companies having a rating of A or better as determined by A.M. Best and Co. or comparable rating by another nationally recognized rating organization. All companies must be licensed in the state the School is located and must be acceptable to us.

The policies shall protect, as named additional insureds, you, us and any other party we designate (except for Workers' Compensation coverage). All insurance policies shall contain an endorsement which provides that only actual notice to insured, if an individual, or to any executive officer of insured, if a corporation, shall constitute knowledge of the insured.

At least 10 days before you begin any construction and when you receive your Certificate of Occupancy (or before the effective date of transfer of the School to you, if applicable), you must furnish us with the required insurance certificates.

You must furnish certificates evidencing the CGL coverage, Builder's Risk/Installation coverage if applicable and also Workers' Compensation and Employers' Liability carried by the applicable employer for all personnel working on the construction site before construction can begin.

E. If you, for any reason, fail to procure or maintain the insurance required by this Agreement, as revised from time to time for all franchisees, in addition to our other rights and remedies under this Agreement at law or in equity, we shall have the right and authority (without, however, any obligation), to procure insurance and to charge the premiums we pay to you, which charges, together with a reasonable fee for our services, including our costs and expenses, in procuring the insurance, shall be paid by you immediately upon notice. We may terminate this Agreement immediately without opportunity to cure under Section 13A(12), whether or not we elect to procure any insurance you are required to maintain.

F. Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 18 of this Agreement.

G. We reserve the right to increase or otherwise modify the minimum coverage requirements described in this Section 11, at any time upon 30 days' written notice to you, and you shall comply with any modifications.

12. **TRANSFERABILITY OF INTEREST**.

A. We shall have the right to transfer or assign all or any part of our rights or obligations in this Agreement to any other person or legal entity.

B. You understand and acknowledge that the rights and duties set forth in the Agreement are personal to you. Accordingly, you shall not sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement, in the franchise (including the transfer by any Owner (as defined in Section 13A(1)) of any interest in any partnership, corporation, limited liability company or other entity that owns this franchise) or in the assets of the School, including any Annex or Satellite Location (collectively referred to sometimes as a "transfer") without our prior written consent. You may not transfer any Annex or Satellite Location separately from the associated School. Any purported transfer, by operation of law or otherwise, not having our written consent shall be null and void and shall constitute a material breach of this Agreement. We will not unreasonably withhold or delay our consent to a transfer, provided that, except in the case of a transfer to a corporation formed solely for the convenience of ownership, our consent will be conditioned on meeting all of the following requirements:

(1) All of your accrued monetary obligations to us and our affiliates and all other outstanding obligations related to the School shall have been satisfied;

(2) The transferor and its owners shall have signed a termination agreement terminating this Agreement, including a general release, in a form satisfactory to us, of us and our subsidiaries and affiliates and our/their respective officers, directors, shareholders and employees in our/their corporate and individual capacities;

(3) The transferee has entered into our then-current form of franchise agreement (together with our form of amendment to franchise agreement required for transfers) and paid all fees required under the transferee's franchise agreement, including the applicable initial license fee; the transferee's franchise agreement with us will have an initial term equal to the initial term then being offered by us to franchisees purchasing a franchise to develop a new School;

(4) The transferee demonstrates to our satisfaction that he or she meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business of the School; and has adequate financial resources and capital to operate the School;

(5) You or the transferee must pay us our then-current background check fee to obtain background checks (including credit and criminal) on the transferee (in the manner described in Section 4A(3)) when we request. The amount is not refundable, whether or not the transfer is effected;

(6) The transferee has satisfied all licensing and other requirements under applicable law and obtains a license to operate a childcare center;

(7) The transferee shall pay us a $25,000 initial training and transfer support fee and the individual we have approved to serve as the transferee's designated on-site operator and additional individuals named as parties to the Franchise Agreement that the transferee requests or we shall require shall complete all requirements relating to the initial training program then in effect for franchisees to our satisfaction, and any additional training as we deem necessary; provided, however, that we will reduce the initial training and transfer support fee to $15,000 if the transferee is our existing franchisee prior to the effective date of the transfer. We shall have the right to increase the amount of this initial training and transfer support fee 10% per year from the date of this Agreement to the date of any transfer. We shall provide the initial training program delivered through a blend of online coursework, virtual, live sessions and in person training at our corporate offices or at another training site we select in accordance with our then current training program and via virtual and/or in-person one-on-one or small group training. The transferee shall pay for the expenses of all individuals attending incurred during initial training and any additional training, including the cost of food, all transportation and lodging costs for any in-person training portion, for all individuals attending;

(8) You shall pay us a transfer fee of $5,000 to cover administrative, travel, and other expenses in connection with the transfer;

(9) You shall pay us a transfer deposit of $2,500; we will hold this deposit and apply it to pay your obligations if you do not; we will refund any excess remaining 105 days after the closing;

(10) The transferee shall pay us the initial marketing fee then-required of buyers of existing Goddard Schools, currently $15,000, or a different amount based on our review of the transferee's proposed plan and assessment of the School's needs;

(11) You have complied to our satisfaction, or you or the transferee agree to comply and have made arrangements satisfactory to us to comply, with all obligations to maintain the School in first class condition and repair and in compliance with the System, including obligations to remodel, refurbish and improve the School as required by this Agreement to conform to our then-current standards and trade dress, including any IT upgrades identified in the IT equipment inventory survey that we require you or the transferee to complete;

(12) You and the transferee shall sign all other documents as we may reasonably require; and

(13) The transferee agrees to adopt and implement the then-current curriculum and education program at the School.

C. You acknowledge that we have legitimate business interests in the approval of any transfer to a party whom we deem capable. Our discussions with and disclosure to the proposed transferee may include our complete file on your School, your entire sales and operations history, information about the market and any other information we deem relevant. Disclosure of this information by us will not, under any circumstances, be deemed to be interference with the proposed transfer or violation of any privacy or nondisclosure obligation to you. We may, but are not obligated to, provide all or any portion of our files on the School to the proposed transferee. You agree that we shall have the right to make available to any proposed transferee our complete file on your School. Other than any disclosure duty imposed by law, however, we have no duty to disclose any information to any proposed transferee. You agree that we will not have any liability to you for any disclosures we make to the proposed transferee. Our review of a proposed transfer requires a significant amount of time; you should not rely on our completion of the process within any certain time period.

D. If the proposed transfer is to a partnership, corporation or limited liability company ("*LLC*") formed solely for the convenience of ownership, our consent to transfer will be conditioned on meeting all of the following requirements:

(1) The transferee partnership, corporation or LLC shall be newly organized and it shall have organizational documents that clearly state that its activities are confined exclusively to the operation of the School.

(2) You shall own 100% of the ownership interest in the transferee partnership, corporation or LLC, and a minority of ownership interests in the transferee partnership, corporation or LLC may be owned by one or more persons who have agreed to guarantee the obligations of the transferee and have agreed to be bound jointly and severally by all provisions of this Agreement.

(3) The articles of incorporation, bylaws, certificate of formation, operating or limited liability company agreement and other organizational documents of the transferee partnership, corporation or LLC, shall recite that the issuance and transfer of any securities is restricted by the terms of this Section.

(4) Each stock certificate or certificate of membership interest shall have conspicuously endorsed upon its face a statement in a form satisfactory to us that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignment by this

Agreement. In addition, its organizational documents shall provide that further assignments or transfers are subject to all restrictions imposed upon assignments and transfers in this Agreement.

(5) All of the Owners (as defined in Section 13A(1)), shall guarantee the obligations of the transferee partnership, corporation or LLC under this Agreement and shall be bound jointly and severally by the terms and conditions of this Agreement which shall remain applicable to them, including but not limited to the provisions contained in Section 7 (Proprietary Marks), Section 8 (Confidential Operating Manual), Section 9 (Confidential Information), Section 10 (Accounting and Records), Section 12 (Transferability of Interest), Section 14 (Obligations Upon Termination, Expiration, or Transfer), Section 16 (Covenants), Section 18 (Independent Contractor and Indemnification), Section 23 (Enforcement) and the general provisions, and shall sign an agreement in the form we prescribe confirming that they guarantee the obligations of the transferee partnership, corporation or LLC under this Agreement and continue to be bound jointly and severally by the applicable terms and conditions of this Agreement. Nothing contained in this Agreement shall be deemed to relieve the Owners of any of these obligations. Each person who becomes a shareholder, partner, or member of the franchisee entity or the spouse of a shareholder, partner, or member, during the term of this Agreement, shall also sign an agreement in the form we then prescribe guaranteeing the obligations of the entity under this Agreement and agreeing to be bound jointly and severally by the applicable provisions of this Agreement.

(6) The transferee partnership, corporation or LLC shall agree to be bound by all of the provisions of this Agreement and to assume and discharge all of your obligations hereunder.

(7) You shall provide us with copies of all governing documents of the transferee partnership, corporation or LLC (e.g., partnership agreement, articles of incorporation or organization, bylaws, stock certificates, operating agreement, membership certificates, agreements among the owners, etc.) which must be reasonably satisfactory to us in our sole business judgment; during the term of this Agreement you agree before amending any of these documents or entering into new agreements, including any merger or other transaction which would result in a different partnership, corporation, or LLC succeeding to the rights under this Agreement (even if the ownership of the new entity is the same as the old entity) to provide us with all proposed amendments and new documents for our approval, which we shall not unreasonably withhold or delay.

(8) You shall maintain the partnership, corporation or LLC in good standing in the jurisdiction of its formation, and if applicable, also as a foreign business entity in the state in which the School is located. You shall provide us with evidence of good standing and legal existence within 10 days following any request.

E. Upon the death or permanent incapacity of any person with an interest in this franchise (including any interest in any partnership, corporation, or LLC that owns this franchise), or upon the dissolution of a franchisee that is a partnership, corporation or LLC, the executor, administrator, personal representative or trustee of that person or entity shall transfer his or its interest to a third party approved by us within a reasonable time, which shall not be deemed to exceed 6 months. Transfers under this Section 12E, including transfers by devise or inheritance, shall be subject to the same conditions as any lifetime transfer.

F. Our consent to a transfer of any interest in the franchise granted in this Agreement shall not constitute a waiver of any claims we may have against the transferring party, and may not be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee.

G. We require that the transferee shall be capable of operating the School immediately after the transfer. You may not provide consulting services or otherwise work at the School after the transfer.

H. You represent to us that, except as you have disclosed to us in writing and we have approved in writing in advance, there are no purchase or call options on the ownership interests of any individual signing this Agreement as franchisee regarding this Agreement or the School except upon the death or permanent incapacity of the individual or in connection with a right of first refusal, and that no oral or written agreement among the individual franchisees, articles of incorporation, bylaws, certificate of formation, operating or limited liability company agreement or other organizational documents of any entity to which you may assign this Agreement for convenience of ownership as provided in Section 12D or any other oral or written agreement authorizes one or more individual franchisees to remove another individual franchisee or guarantor from ownership or participation in the School business.

I. You may request in writing our consent to add one or more persons to the Franchise Agreement and/or the Assignment and Assumption Agreement as individual franchisees. If we determine in our sole business judgment that the transaction does not constitute a transfer of the Franchise Agreement, the franchise (including the transfer by any Owner of any interest in a business entity that owns this franchise) or the assets of the School that should be governed by Section 12B above, and we consent to the transaction, you will pay us when you make your request, a non-refundable franchisee add-on fee equal to $10,000, to cover the background check fee for up to two persons and administrative, travel, and other expenses in connection with the transfer. If more than two persons are to be added, you must pay also us our then-current background check fee to obtain background checks (including credit and criminal) on the persons to be added above two whose background check cost is not covered in the franchisee add-on fee (in the manner described in Section 4A(3)) when we request, which we will administer as described in Section 12B(5) above. No credit or refund will be granted against the background check fee for two persons covered in the franchisee add-on fee. To the extent applicable to our decision and due diligence in connection with the addition of the proposed individual franchisees, we may consider and require compliance with certain requirements described above in this Section 12 for a transfer. If we consent to add the proposed individuals franchisees to the Franchise Agreement and/or Assignment and Assumption Agreement, you and the individuals must sign documentation we require. You will pay us the applicable transfer fees if you are removed from the Franchise Agreement and/or the operating entity to which you assigned the Franchise Agreement within two years of the addition of the new individuals.

13. **OUR RIGHT TO TERMINATE**.

A. We may terminate this Agreement and the franchise upon delivery of notice of termination to you upon the occurrence of any of the following events:

(1) You or any shareholder of any corporation, any member of any LLC, partner in a partnership, or owner of any other entity owning an interest in the franchise and their spouse ("Owner") become insolvent, make a general assignment for the benefit of creditors, are adjudicated a bankrupt, suffer temporary or permanent court appointed receivership of substantially all of your property or suffer the filing of a voluntary or involuntary bankruptcy petition, provided that in the case of an involuntary petition, the involuntary petition is not dismissed within 30 days after filing;

(2) You abandon or cease to do business at the School or lose the right to possession of the School, including any Annex or Satellite Location, or prior to opening the School you abandon or cease to diligently pursue construction of the School, or otherwise lose or forfeit the right to do or transact business in the jurisdiction where the School is located; however, if any loss of possession results from the governmental exercise of the power of eminent domain, or if, through no fault of yours, the School is damaged or destroyed by a disaster so that it cannot, in our judgment, reasonably be restored, then this Agreement shall not be terminated for that reason for 90 days thereafter, provided you apply within that time for approval to relocate the School for the remainder of the term of this Agreement, which approval shall not be unreasonably withheld;

(3) Final conviction or plea of guilty or nolo contendere of you, any Owner or any of your officers, of a felony, or a crime involving moral turpitude, or any other crime which in our judgment has affected or may affect the reputation of the School or the goodwill of the Proprietary Marks or indicates unsuitability for childcare, or if you, any Owner or officer engage in dishonest or unethical conduct, conduct involving moral turpitude, or other conduct which, in our judgment has affected or may affect the reputation of the School or the goodwill of the Proprietary Marks or indicates unsuitability for childcare;

(4) If you or any Owner purport to transfer any rights or obligations under this Agreement to any third party without our prior written consent, contrary to the terms of Section 12 of this Agreement;

(5) If you or any Owner fail to comply with the covenants contained in Section 16B, 16C, or 16D of this Agreement;

(6) If you or any Owner disclose or divulge the contents of the Manual or any Confidential Information (as defined in this Agreement) contrary to Sections 8 and 9 of this Agreement;

(7) If an approved transfer is not effected within a reasonable time (which shall not be deemed to exceed 6 months) following your (or any Owner's) death or permanent incapacity as required by Section 12E of this Agreement;

(8) If in our sole business judgment a threat or danger to public health or safety or to the health or safety of the children and/or adults at the School results from the maintenance or operation of the School, including your failure to comply with quality assurance standards;

(9) If we discover that you or any Owner have made any material misrepresentation on or in connection with the application for the franchise or in connection with any matter implicating the health and safety of any person;

(10) On the third failure to comply if you or any Owner fail on two or more occasions within any 12 month period to comply with any one or more provisions of this Agreement, whether or not those prior failures to comply are corrected after notice thereof is delivered to you;

(11) On the second failure to comply if you or any Owner commit the same type of failure to comply within any 12 month period whether or not the prior failure to comply is corrected after notice thereof is delivered to you;

(12) If you, for any reason, fail to procure or maintain the insurance required by this Agreement, as revised from time to time for all franchisees, whether or not we elect to procure any insurance you are required to maintain;

(13) The occurrence of a default, continuing beyond any applicable cure period, under any other agreement (a) between you and us or any of our affiliates (as defined in Section 1C), or (b) between any Owner and us or any of our affiliates, or (c) between any of your affiliates and us or any of our affiliates; it being the understanding and agreement of you and us that this Agreement shall be cross-defaulted with any of these other agreements, so that (i) any default under this Agreement is a default under any other agreement between you, any of your Owners and any of your affiliates on the one hand and us or any of our affiliates on the other hand, and (ii) any default under any other agreement between you, any of your Owners and any of your affiliates on the one hand and us or any of our affiliates on the other hand, will be a default under this Agreement, permitting termination of this Agreement and the other agreements in accordance with any applicable notice and cure provisions.

(14) [Deleted as not applicable to a renewal situation.]

(15) If the ability to continue the operation of the School or the license granted to you under this Agreement, in whole or in part, is frustrated in purpose or materially impaired by any national, federal, state or local law, statute, ruling, ordinance or regulation, or interpretation of any of the above (collectively a "Law"), or by the actions of any civil or military authority purporting to act under any Law, or by acts of God, war or civil disorders, or by the existence or declaration of a pandemic or epidemic or by labor union activity.

B. We shall have the further right to terminate this Agreement and the franchise effective upon delivery of notice to you, if you or any Owner fail to comply with any other provision of this Agreement or any specification, standard, quality assurance standard (other than those presenting a threat or danger which shall be subject to termination without opportunity to cure under Section 13A(8) above) or operating procedure we prescribe pursuant to this Agreement, or if you, any Owner or any of your affiliates fail to comply with the provisions of any other agreement they have with us or any of our affiliates, and you (or any Owners or any or your affiliates) do not correct the failure (i) within seven days if the failure relates to the use of the Proprietary Marks or to a quality assurance standard (other than those that present a threat or danger under Section 13A(8) above), (ii) within 15 days if the failure relates to the payment of money pursuant to this Agreement or any other agreement; (iii) within 60 days if the failure relates to your or any Owner's current or future inability to be present and personally involved in the operation of the School because you or the Owner are not a United States citizen and have received notice from a court or governmental agency that your or the Owner's right to reside in the United States has terminated or will terminate; or (iv) otherwise within 30 days; in each case after written notice of the failure to comply (which shall describe the action that you must take to correct same) is given to you.

C. Without limiting our rights under this Agreement, we shall have the right to terminate this Agreement and the franchise effective upon delivery of notice to you, (i) if a license necessary to operate another Goddard School owned and operated by you, any Owners or any of your affiliates, is terminated or revoked, and/or (ii) another Goddard School owned and operated by you, any Owner or any of your affiliates closes due to violations of the applicable Franchise Agreement or applicable local, state, or federal laws, rules, regulations, ordinances, standards, directives, or licensing requirements, and the license is not reinstated and/or the other Goddard School is not lawfully reopened by you, an Owner or your affiliate, within 30 days of the license termination or revocation or Goddard School closure.

14. **<u>OBLIGATIONS UPON TERMINATION, EXPIRATION, OR TRANSFER</u>**.

Upon termination, expiration, or transfer of this Agreement:

A. You and all Owners shall immediately cease to operate the School, including any Annex or Satellite Location, and shall not thereafter, directly or indirectly, represent to the public or hold yourselves or themselves out as one of our present or former franchisees.

B. You and all Owners shall immediately and permanently cease to use, by marketing or in any manner whatsoever, any equipment, confidential methods, procedures and techniques associated with the System; the trade and service mark "*The Goddard School*", and any other Proprietary Marks and distinctive forms, slogans, signs, symbols, or devices associated with the System. In particular, you shall cease to use all signs, equipment, advertising materials, marketing materials, stationery, forms and any other articles which display the Proprietary Marks associated with the System and shall remove all signs from the School premises.

C. You shall take all actions as may be necessary to cancel any assumed name or equivalent registration which contains the name "*The Goddard School*" or any other service mark or trademark of ours.

D. You shall (except in the case of a transfer), make all modifications or alterations to the premises operated hereunder (including ceasing all use of the telephone numbers used in connection with the School) immediately upon termination or expiration of this Agreement as may be necessary to prevent the operation of any childcare business at the premises of the School either by you or others in derogation of this Section 14, unless we elect to lease the premises, in which case you shall at our direction take all steps necessary to allow us to assume the lease or enter into a lease, as the case may be, and shall immediately vacate the premises. In addition, you shall make any specific changes to the School's premises as we or our designees may reasonably request to protect the Proprietary Marks and to de-identify the School. If you fail to make the modifications, we shall have the right to re-enter the premises and make the modifications or alterations to the premises; you shall reimburse us for our costs plus a reasonable fee for our services.

E. You shall promptly pay all sums owing to us and our subsidiaries and affiliates.

F. You shall promptly pay all sums owing to the landlord of the premises and to third party vendors and suppliers, including the local telephone company, for all charges and fees incurred in connection with your business and the operation of the School.

G. You shall immediately turn over to us or at our direction, to the transferee or another person, all manuals, including the Manual, records, files, instructions, correspondence, and all other materials related to operating the franchised business including brochures, agreements and any other materials in your possession relating to the operation of the School.

H. At our request, you will transfer to us (or other party we designate), at your cost, all telephone numbers, directory listings, facsimile numbers, Internet numbers, domain names and e-mail addresses in use or owned by you on the date of termination, and inform any business directory of the transfer. As between you and us, we have the sole rights to and interest in all telephone numbers we secured for you, directory listings, facsimile numbers, Internet numbers, domain names and e-mail addresses associated with the School and the Proprietary Marks. You will promptly cancel and discontinue use of the telephone numbers, directory listings, facsimile numbers, Internet numbers, domain names and e-mail addresses which served the School at the time of termination or expiration and delete your listing in any business directory for the area of the School's location, including directories on the Internet. You will de-install any of our proprietary software and allow us access to your computer system for removal of customer and other data files. You hereby constitute and irrevocably appoint us, pursuant to the terms of this Franchise Agreement, with full power of substitution and revocation by us, as your true and lawful attorney-in-fact, to the full extent permitted by law to cancel, terminate, assign, discontinue or take any and all lawful action with respect to all telephone, facsimile, Internet numbers, domain names and e-mail addresses which serve the School, including, without limitation, the power to take the steps as, in our opinion, may be necessary to delete your listing or marketing in the Yellow Pages and any other directories and to terminate any other listing which indicates that you are or were affiliated with System. You will indemnify and hold harmless each telephone company, directory publisher, Internet provider and other person or entity against all costs, damages, attorneys' fees, expenses and liabilities which may be incurred or sustained in connection with or as a result of any action taken in reliance on the foregoing power of attorney.

I. You and all Owners shall comply with the covenants contained in Section 16 of this Agreement.

J. Except as limited by applicable law, you shall sign a termination agreement, in a form satisfactory to us, including a general release under seal of any and all claims you may have against us, and our subsidiaries and affiliates and our/their respective officers, directors, managers, members, shareholders, partners and employees in our/their corporate and individual capacities.

K. Notwithstanding anything in this Section 14, if you or an affiliate operate a Goddard School under another effective Franchise Agreement with us, you and/or your affiliate may hold yourself out as a franchisee of the System and use the System and the Proprietary Marks as permitted under the other Franchise Agreement but only with respect to the other Goddard School.

L. If we and you agree to limit the term of operation of any Annex or Satellite Location, and your right to operate any Annex or Satellite Location terminates or expires prior to termination or expiration of this Agreement regarding the associated School, then the provisions of this Section 14 shall apply to the

Annex or Satellite Location, as applicable, or shall not affect your rights under this Agreement regarding the operation of the associated School.

15. **OPTIONS TO PURCHASE ASSETS AND LEASE PROPERTY**.

A. Option to Purchase Assets.

(1) Upon termination or expiration of this Agreement, including with respect only to any Annex or Satellite Location, regardless of the reason, we shall have the right, but not the obligation, for 60 days starting on the date of termination or expiration, to purchase the assets of the School (or applicable Annex or Satellite Location) and obtain an assignment of the lease for the premises. You may not offer to sell or otherwise transfer the assets or to assign the lease to a third party without first having offered these rights to us.

(2) The purchase price for the assets shall be their fair market value exclusive of any goodwill. We may exclude from the purchased assets, any furniture, fixtures, equipment, signs, products or supplies that do not meet our then current quality or performance standards for Goddard Schools. If the parties cannot agree on the fair market value within a reasonable time, each party will select an independent appraiser. The appraised fair market value as determined by the appraisers shall be binding. If the appraisers cannot agree on the fair market value, they in turn will select a third independent appraiser. The fair market value will be the average of all three appraisals and will be binding on the parties. We and you will each pay for our respective appraisers and share the cost of any third appraiser.

(3) The purchase price shall be paid in cash at the closing of the purchase, which shall take place no later than 60 days after you receive our notice that we are exercising this option. At the closing, you shall deliver to us, in a form satisfactory to us, good and merchantable title to the assets purchased, free and clear of any encumbrances and all licenses or permits which may be assigned or transferred. You shall be responsible for all sales and other transfer taxes. We shall have the right to set-off against the purchase price all amounts owed by you to us or our subsidiaries or affiliates.

B. Option to Lease School Premises.

We will have the right to exercise an option to lease the premises of the School, including any Annex or Satellite Location, on termination or (if you lease the premises) expiration of this Agreement, including with respect only to any Annex or Satellite Location, pursuant to either (i) the collateral assignment of lease and landlord's consent, in forms that we require, if you lease the premises on the date of termination or expiration; or (ii) the Option to Lease Agreement and Right of First Refusal, if you own or if an entity affiliated with you owns the premises on the date of termination. You may not offer to lease, sublease or assign the lease of the premises of the School without first having offered these rights to us.

C. Right of First Refusal.

If you or a business entity affiliated with you owns the premises of the School, including any Annex or Satellite Location, and wish to sell or otherwise transfer any ownership interest in the premises during the term of this Agreement, we will have a right of first refusal to purchase the premises pursuant to the Option to Lease Agreement and Right of First Refusal. You or your affiliate may not sell any interest in the premises of the School without first complying with the terms of the Option to Lease Agreement and Right of First Refusal, except transfers to an entity for convenience of ownership, a transfer to an affiliate, an heir, trustee or mortgagee.

16. **COVENANTS**.

A. You covenant that, during the term of this Agreement: (1) the designated on-site operator shall devote full time, energy and efforts to the management and operation of the School to satisfy and honor your obligations under this Agreement; (2) the School shall at all times be under the management of the designated on-site operator and the direction of qualified, director(s) trained by us whose credentials shall be satisfactory to us and whose identity you shall disclose to us immediately upon appointment or upon any change of your director(s); and (3) you shall require all employees and individuals conducting the day-to-day management and operation of the School to attend and complete to our satisfaction all requirements related to the initial training program described in Section 6F. You must have one full-time director qualified and trained by us, and any additional full-time directors we may deem appropriate from time to time in our sole business judgment.

B. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you shall not directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, association, corporation, limited liability company or other entity:

(1) Divert or attempt to divert any business or customer of the business franchised under this Agreement to any competitor, by direct or indirect inducement or otherwise.

(2) Own, maintain, engage in, be employed by, lease real estate to, consult with or assist in any way, finance, or have any interest in any other child daycare or preschool learning center or business (other than a Goddard School for which you are a franchisee under an effective Franchise Agreement with us).

C. You covenant that for a period of three years after the expiration, transfer or termination of this Agreement, regardless of the cause of termination, or after the date on which you cease to operate the School following the expiration, transfer or termination of this Agreement, whichever is later, you shall not either directly or indirectly, for yourself or through, on behalf of, or in conjunction with any other person, persons, partnership, association, corporation, limited liability company or other entity:

(1) Divert or attempt to divert any business or customer of the business franchised under this Agreement to any competitor, by direct or indirect inducement or otherwise.

(2) Own, maintain, engage in, be employed by, lease real estate to, consult with or assist in any way, finance, or have any interest in any child daycare or preschool learning center or business (other than a Goddard School for which you are a franchisee under an effective Franchise Agreement with us) at the premises of the School or within a radius of 10 miles of the School or any existing or proposed Goddard School.

D. You will use best and continuing efforts during the term of this Agreement to promote and develop the business of the School. In consideration of the substantial value to you to use the System and to receive disclosure of the System, including the Proprietary Marks, the Manual and the Confidential Information, and in recognition of our ownership rights to the System, in addition to the other restrictions in this Agreement and under applicable law, you covenant that during the term of this Agreement and at any time after the expiration, transfer or termination of this Agreement, regardless of the cause of any termination, you shall not do or perform any act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

E. We shall have the right, in our sole business judgment, to reduce the scope of any covenant set forth in Sections 16B, 16C and 16D of this Agreement, or any portion thereof, without your consent, effective immediately upon your receipt of written notice of that fact, and you agree to comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 21 of this Agreement.

F. If any court or other tribunal having jurisdiction to determine the validity or enforceability of this Section determines that it would be invalid or unenforceable as written, then the provisions of this Section shall be deemed to be modified to the extent or in the manner as necessary for those provisions to be valid and enforceable to the greatest extent possible.

G. The above provisions of this Section shall not prohibit your operation of another franchise which we grant to you or your ownership of less than a 5% beneficial interest of the outstanding equity securities of any publicly held entity.

H. If any individuals who originally signed this Agreement as franchisee or were added as individuals subject to this Agreement apply to be a franchisee for a different School separately from all or any of the other individuals then subject to this Agreement, we may, but we are not required to, inform all of the other individuals then subject to this Agreement of the application. We may make any decision on the application for a different School as we deem appropriate in our sole business judgment, including for reasons related to your School governed under this Agreement, and do not require the approval of any of the other individuals on this Agreement to grant our approval.

17. **TAXES AND COMPLIANCE WITH LAWS**.

A. You shall prepare and file when due all appropriate tax returns for taxes levied or assessed on you or on the School business by any federal, state or local tax authority and pay when due all taxes due on these returns. You shall pay when due any and all indebtedness incurred by you in the conduct of the School business as required pursuant to Section 6K.

B. You shall comply with all applicable federal, state and local laws, rules and regulations, and shall timely obtain and maintain, as required, any and all permits, certificates or licenses necessary for the full and proper conduct of the business franchised hereunder, including licenses to do business, fictitious name registrations and sales tax permit clearance.

C. To the extent that you collect "personal information" (or equivalent term or phrase as defined by applicable law) of an individual ("Personal Information") whether from us or an individual, you shall not and are specifically prohibited from (a) retaining, using, or disclosing the Personal Information for any purpose other than the specific purpose of providing childcare services at the School during the term of this Agreement or for business purposes otherwise expressly permitted or authorized by us (including retaining, using, or disclosing the Personal Information for a commercial purpose other than providing childcare services at the School during the term of this Agreement); (b) selling or otherwise transferring Personal Information; (c) using Personal Information you receive from a current, former, or prospective student, customer, employee of yours, other person, or business you service or interact with (e.g., as to employees of the business) for the purpose of providing services to another; and (d) re-identifying any Personal Information that has been de-identified. You are required to comply with all obligations under applicable law with respect to your processing of Personal Information. You shall provide at least the level of privacy protection to Personal Information as required under applicable law. We have the right to take reasonable and appropriate steps to evaluate whether you are using and protecting Personal Information as required under applicable law and this agreement. You must promptly notify us if you no longer can protect the Personal Information consistent with applicable law.

D. From time to time you may receive requests from individuals seeking to exercise their rights under applicable law, including a right to access, correct, delete, or stop selling or sharing their Personal Information ("PI Request"). You shall follow the procedures set forth in the Use of Personal Information Standard, which may be amended from time to time, in the Manual. For purposes of applicable law, you agree that there is no sale of Personal Information involved in our grant of the franchise to you or your operation of the School. For the avoidance of doubt, we do not provide Personal Information to you for any valuable consideration. You certify to us that you understand these requirements and will comply with them.

E. You must establish, adopt, maintain and comply with appropriate internal security measures, privacy policies and procedures (the "Protection Measures") with regard to physical documents, computers and other technology, information and data in order to protect Personal Information and information you receive in connection with providing childcare services and operating the School ("Protected Data") against unauthorized disclosure and access and accidental or unlawful destruction, loss or alteration. The Protection Measures must provide a level of security appropriate to the risk based on the processing and nature of the Protected Data to be protected and be in accordance with all applicable law. The Security Measures should address security policy; organization of information security; asset management; human resources security; physical and environment security; communications and operations management; access control; information systems acquisition, development, and maintenance; information security incident management; business continuity management; personnel training; and compliance (collectively, "Organizational Measures"). We recommend you review your Organizational Measures at least annually. The Security Measures and your security practices must meet any requirements of our approved vendors or suppliers that transmit, receive or otherwise handle Protected Data. You must ensure all other business partners, vendors and suppliers that you provide Protected Data to or who otherwise handle Protected Data are bound by the obligations set forth in this Section and have Protection Measures and security practices in place.

F. If you engage a third party supplier we approve to provide services to you or you sub-contract the performance of services you are required to perform to a third-party that involves granting access to the third party to our network, systems, applications, websites, or sensitive business or Personal Information, you agree to contractually bind the third-party to the same data protection, confidentiality, non-disclosure, and acceptable use language that you agreed to in this Agreement, including as applicable, the requirements in this Section 17.

18. **INDEPENDENT CONTRACTOR AND INDEMNIFICATION**.

A. This Agreement does not create a fiduciary relationship between us. You shall operate the School as an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose, and you covenant not to assert otherwise in any forum. Although you must comply with this Agreement and the System, you will have full and complete control of the manner in which you comply and full and complete control of the day-to-day operation of the School and your business policies and practices. The parties acknowledge and agree that the creation of the above described relationship and the parties' respective ability to perform and to be legally recognized as such during the term of this Agreement is part of the essence and a principal purpose of this Agreement.

B. You shall conspicuously identify yourself at the location of the School and in all dealings with parents, employees, contractors, suppliers, public officials and others of the public or private sphere, as an independent contractor operating the business pursuant to a license from us and shall place such other notices of independent ownership on such forms, stationery, marketing and other materials as we or any of our affiliates may require from time to time. All contracts, checks, paychecks or other payment notices for the School's operations and services will be in your legal name. You will not enter into or sign any contracts, checks, paychecks or other payment notices in our or our affiliates' names or using the Proprietary Marks or any acronyms or variations of the Proprietary Marks. You will disclose in all dealings with parents, employees, contractors, suppliers, public officials and others of the public or private sphere that you are an independent entity and that neither we nor our affiliates have any liability for your debts.

C. Nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our or our affiliates' behalf, or incur any debt or other obligation in our or our affiliates' names, and neither we nor our affiliates shall in any event assume liability for, or be deemed liable as a result of any act or omission by you in your conduct of the School or any claim or judgment against us or any of our affiliates. You shall indemnify and hold us and our affiliates and our and our affiliates' respective officers, directors, managers, members, partners, shareholders, independent contractors and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with your ownership, operation or occupation of the School, as well as all costs, including attorneys' fees, of defending against them. We or our affiliates shall have the right to control all litigation against us or any other indemnified party or involving the Proprietary Marks, and to defend and/or settle any such claim affecting our or our affiliates' interests, in any manner we or they deem appropriate. Without affecting your duty to defend and indemnify us and our affiliates as set forth above, we or our affiliates may also elect to retain our or their own counsel at your cost to represent us or other indemnified parties. Our or our affiliates' exercise of control over the litigation shall not affect our or our affiliates' rights to indemnification under this Section 18C. Your obligations under this section shall survive the expiration, termination or transfer of this Agreement.

19. **APPROVALS AND WAIVERS**.

A. Whenever this Agreement requires our approval or consent, you shall make a timely written request to us beforehand, and you must obtain that approval or consent in writing.

B. We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you, by providing any waiver, approval, consent or suggestion to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request for any waiver, approval, consent or suggestion.

C. No failure on our part to exercise any power reserved to us by this Agreement, or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of our right to demand exact compliance with any of its terms. Our acceptance of any late payments due under this Agreement shall not be deemed to be a waiver of any breach by you of any terms, covenants or conditions of this Agreement.

20. **NOTICES**.

Any notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by registered or certified mail, return receipt requested, or sent by overnight courier or email to the respective parties at the address listed on the signature page of this Agreement unless a different address has been designated in writing by the other party. Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing. Notices by personal delivery, overnight courier or email shall be effective upon the earlier of the date of delivery of such notice, or the date after the same was sent. In addition, we may elect to provide any information we are required to or desire to communicate to you solely through our website(s) and/or intranets or other electronic means, including email, without any need to provide you with a paper copy or other physical format. You shall provide us with your current home address, email address and other contact information, as required under Section 10G, at all times.

21. **ENTIRE AGREEMENT**.

This Agreement and any amendments and attachments constitute the complete and integrated agreement between you and us concerning the subject matter of this Agreement and supersede all prior agreements; no other representations have induced you to sign this Agreement except that you may rely on our representations in the most recent Franchise Disclosure Document (the "FDD") we delivered to you, including its exhibits and any amendments, in connection with this Agreement. No representations, promises or agreements, oral or otherwise, not appearing in or attached to this Agreement or in the FDD were made by any party and none shall have any effect with reference to this Agreement. No change in this Agreement shall be binding on either party unless it is mutually agreed to in writing.

22. **SEVERABILITY AND CONSTRUCTION**.

A. Except as expressly provided to the contrary in this Agreement, each section, part, term and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term and/or provision herein is determined by a court or agency having valid jurisdiction to be invalid and contrary to, or in conflict with, any applicable law or regulation, such determination shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement as may remain otherwise enforceable, and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid sections, parts, terms and/or provisions shall be deemed not to be part of this Agreement.

B. If any applicable law or rule of a jurisdiction requires a greater notice of the termination of or election not to renew this Agreement, or the taking of some other action with respect to the termination or election not to renew than is required in this Agreement, and the jurisdictional requirements of the law or rule are otherwise met, the notice or other action required by such law or rule shall be substituted for the notice or other action required in this Agreement.

C. Nothing in this Agreement is intended, or shall be deemed, to confer upon any person or legal entity other than you or us or our respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement.

D. All captions in the Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision.

E. All references to gender and number shall be construed to include any other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations made in this Agreement or undertaken by you shall be deemed jointly and severally undertaken by all parties (other than us) to this Agreement on your behalf. No change in marital or other legal status between any of the parties to this Agreement shall alter or limit that joint and several liability without our express written release, which release may be withheld in our sole business judgment.

F. This Agreement may be signed in counterparts; each signed copy shall be deemed an original and all of which, together, shall constitute the same instrument. Electronic or facsimile signing and delivery of this Agreement is legal and binding for all purposes. We may require that your signatures on any document submitted to us be notarized. Any person executing this Agreement on behalf of a business entity represents and warrants that he/she is duly authorized to bind the business entity.

G. The BACKGROUND Section at the beginning of this Agreement contains contractual terms that are not mere recitals.

H. As provided in Section 1A, except where distinctions are specifically noted or the context may require, references to the "School" include the School you develop at the location stated in Section 1A (or any location to which the School may be relocated in accordance with this Agreement), and if applicable, together with any approved Annex or Satellite Location. In some instances in this Agreement, a reference to the School including any approved Annex or Satellite Location has been added for emphasis, however the absence of the reference is not meant to diminish the intended broader definition of the term "School."

I. You understand and acknowledge that we may delegate the performance of any or all of our obligations under this Agreement, and the right to exercise any of our rights under this Agreement, to an affiliate, manager, agent, independent contractor, or other third party designee. However, we will remain responsible for ensuring that such obligations are performed in accordance with the terms of this Agreement.

23. **ENFORCEMENT**.

A. This Agreement takes effect when accepted and signed by us in Pennsylvania. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement shall be construed under the laws of the Commonwealth of Pennsylvania and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the Commonwealth of Pennsylvania, which laws shall prevail in the event of any conflict of law. If we move our corporate headquarters, notwithstanding Section 21, we shall have the option of determining that the substantive law of the state to which we move will replace all references to Pennsylvania law in this Franchise Agreement, or of continuing to have Pennsylvania law apply. If we choose to have the law of the new state apply, we will so notify all franchisees within six months of our move, and the chosen law will apply to all franchisees; except that any franchise registration or disclosure law or any franchise relationship law of the new state will only apply where the jurisdictional requirements of the law are otherwise met.

B. You acknowledge that you have and will continue to develop a substantial and continuing relationship with us at our offices in the Commonwealth of Pennsylvania, where our decision-making authority is vested and franchise operations are conducted and supervised. Except for our right to obtain injunctive relief in any appropriate forum, any action arising out of or relating to this Agreement shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in the Commonwealth of Pennsylvania for the district or county in which our headquarters are then located. You irrevocably submit to the jurisdiction of these courts, waive any objection you may have to either the jurisdiction or venue of these courts and agree not to argue that these courts are inconvenient forums. If we move our corporate headquarters, you acknowledge that you will have a substantial and continuing relationship with us in the state to which we move and that any references to Pennsylvania in this paragraph will be deemed to be references to the new state and the district or county in which our headquarters are then located.

C. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

D. Nothing herein contained shall bar our right to obtain injunctive relief against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

E. In any action to enforce or defend our rights under this Agreement, we shall be entitled to recover, in addition to any other recovery, attorneys' fees, court costs and expenses of litigation.

F. **YOU MAY SEEK DAMAGES OR ANY REMEDY UNDER LAW OR EQUITY ONLY AGAINST OUR BUSINESS ENTITY. OUR AFFILIATES AND OUR/THEIR RESPECTIVE OFFICERS, DIRECTORS, MANAGERS, MEMBERS, LIMITED PARTNERS, GENERAL PARTNERS, SHAREHOLDERS, INDEPENDENT CONTRACTORS AND EMPLOYEES WILL NOT BE LIABLE AND MAY NOT BE NAMED AS A PARTY AND WILL NOT BE LIABLE IN ANY PROCEEDING COMMENCED BY YOU IF YOUR CLAIM OR CAUSE OF ACTION ARISES OUT OF OR RELATES TO THIS AGREEMENT.**

G. **A COURT MAY AWARD INJUNCTIVE RELIEF AS WELL AS DAMAGES, BUT WILL HAVE NO AUTHORITY TO AWARD PUNITIVE OR EXEMPLARY OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH ANY CLAIMS OR CAUSES OF ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT.**

H. **WE AND YOU, RESPECTIVELY, WAIVE ANY RIGHT WE OR YOU MIGHT HAVE TO TRIAL BY JURY ON ANY AND ALL CLAIMS ASSERTED AGAINST THE OTHER. WE AND YOU, RESPECTIVELY, EACH ACKNOWLEDGE THAT WE AND YOU, RESPECTIVELY, HAVE HAD A FULL OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL CONCERNING THIS WAIVER, AND THAT THIS WAIVER IS INFORMED, VOLUNTARY, INTENTIONAL AND NOT THE RESULT OF UNEQUAL BARGAINING POWER.**

I. **YOU AGREE TO LITIGATE EACH DISPUTE WITH US ON AN INDIVIDUAL BASIS. YOU WILL NOT CONSOLIDATE ANY DISPUTE WITH A CLAIM OF ANY OTHER FRANCHISEE, INDIVIDUAL, OR ENTITY, AND YOU WILL NOT PURSUE ANY CLASS CLAIMS IN ANY MEDIATION, ARBITRATION, OR LITIGATION FORUM IN CONNECTION WITH ANY CLAIMS OR CAUSES OF ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT.**

J. **YOU ACKNOWLEDGE THAT YOU WOULD NOT SIGN THIS FRANCHISE AGREEMENT IF YOU DID NOT AGREE TO BE BOUND BY ITS TERMS.**

K. **YOU ACKNOWLEDGE AND AGREE THAT THIS AGREEMENT IS NOT EFFECTIVE UNTIL SIGNED BY US, AND THAT WE WILL NOT SIGN THIS DOCUMENT UNTIL WE HAVE RECEIVED ALL REQUIRED ITEMS, INCLUDING ANY PAYMENTS DUE.**

24. **NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES**..

The following provision applies only to franchisees and franchises that are subject to state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgment signed or agreed to by you 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 us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.

25. **MUTUAL RELEASES AS CONDITION OF RENEWAL**.

A. Subject to the exceptions set forth in this paragraph, Franchisee 1, Franchisee 2 and Entity, for themselves and all persons and entities claiming by, through or under them, release, acquit and forever discharge Goddard Franchisor LLC and its present and former officers, employees, shareholders, directors, agents, attorneys, servants, representatives, parents, predecessors, subsidiaries, affiliates, heirs, successors and assigns, in both their individual and corporate capacities (the "GFL Releasees"), from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which Franchisee 1, Franchisee 2 and Entity, by themselves, on behalf of, or in conjunction with any other person or entity, have, had or claim to have against the GFL Releasees, including specifically, but not exclusively, and without limiting the generality of the foregoing, any and all claims, demands, actions or causes of action arising out of, pursuant to or related to the Prior Franchise Agreement, the Prior Assignment Agreement, the School, and/or the parties' franchise relationship, and any and all correspondence, representations, certifications, warranties, promises or acts made in reliance upon any one or more of the same, whether oral or written, or based in whole or in part on events occurring prior to the date of this Agreement. Specifically excepted from Franchisee 1's, Franchisee 2's and Entity's release of the GFL Releasees are (a) Goddard Franchisor LLC's obligations under this Agreement; and (b) any liability that Goddard Franchisor LLC may have under any applicable franchise law of another state to the extent that this release is held by a court of competent jurisdiction to be prohibited under the law of that state.

B. Subject to the exceptions set forth in this paragraph, Goddard Franchisor LLC, for itself and all persons and entities claiming by, through or under it, hereby releases, acquits and forever discharges Franchisee 1, Franchisee 2 and Entity from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which Goddard Franchisor LLC has, had or claims to have against Franchisee 1, Franchisee 2 and Entity, including specifically, but not exclusively, and without limiting the generality of the foregoing, any and all claims, demands, actions or causes of action arising out of, pursuant to, or related to the Prior Franchise Agreement, the Prior Assignment Agreement, the School, and/or the parties' franchise relationship, and any and all correspondence, representations, certifications, warranties, promises or acts made in reliance upon any one or more of the same, whether oral or written, or based in whole or in part on events occurring prior to the date of this Agreement. Specifically excepted from Goddard Franchisor LLC's release of Franchisee 1, Franchisee 2 and Entity are (a) Franchisee 1's, Franchisee 2's and Entity's obligations under this Agreement; (b) any and all claims, causes of action, obligations arising from, under or out of the provisions of the Prior Franchise Agreement and/or the Prior Assignment Agreement that remain in effect pursuant to the terms of this Agreement as confirmed in Section 1E of this Agreement; (c) for the avoidance of doubt, nothing in this release nor any other provision of this Agreement shall be deemed to relieve Franchisee 1, Franchisee 2 and Entity of any obligations under this Agreement, including but not limited to strict compliance with Goddard Franchisor LLC's methods, standards and specifications, nor deemed to constitute a waiver of any provision of this Agreement or any of Goddard Franchisor LLC's methods, standards and specifications; and (d) any claims asserted against the GFL Releasees by any third party which claims relate to Franchisee 1's, Franchisee 2's and Entity's ownership, occupation or operation of the School and/or to this Agreement or the Assignment Agreement or to the Prior Franchise Agreement or the Prior Assignment Agreement, and Franchisee 1, Franchisee 2 and Entity specifically agree to indemnify and hold the GFL Releasees harmless from and against any and all costs and expenses, including, without limitation, reasonable costs of investigation, travel, attorney's fees and expert's fees. This indemnification obligation shall be a continuing one and shall not be affected by the termination of the Prior Franchise Agreement, the Prior Assignment Agreement nor of this Agreement and the Assignment Agreement.

[Signature Page Follows]

Intending to be legally bound, the parties have signed this Franchise Agreement as of the date first above written.

FRANCHISEE:

____
Name:
Address:
Email:

____
Name:
Address:
Email:

____
Name:
Address:
Email:

____
Name:
Address:
Email:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107
notices@goddardsystems.com

By:__________________________________

Title:______________________________

JOINDER

The undersigned Entity, being a ____________ limited liability company/corporation owned and controlled by [**FranchiseeONE and FranchiseeTWO**], as a party to the Prior Assignment Agreement and the Assignment Agreement, does hereby join in the execution of and agree to be bound by the foregoing Franchise Agreement (Renewal), solely with respect to the provisions of the Background section, Section 1E, Section 25, and the general provisions and enforcement provisions of Section 21 (Entire Agreement), Section 22 (Severability and Construction) and Section 23 (Enforcement), in order to grant the general release and make the related covenants set forth in Section 25A and to agree to the termination of the Prior Franchise Agreement and Prior Assignment Agreement and the survival of post-termination rights and obligations as provided in Section 1E. Entity shall also benefit from Goddard Franchisor LLC's release of [**FranchiseeONE, FranchiseeTWO**] and Entity provided in Section 25B. The limited scope of this Joinder shall not affect Entity's rights and obligations under the Franchise Agreement and the Assignment Agreement and under the Prior Franchise Agreement and the Prior Assignment Agreement.

ENTITY:

____

By:__________________________________

Title:______________________________

<u>EXHIBIT C-11</u>

<u>COLLATERAL ASSIGNMENT OF LEASE</u>

<u>AND</u>

<u>CONSENT AND AGREEMENT OF LESSOR</u>

COLLATERAL ASSIGNMENT OF LEASE
(To be signed when franchisee leases the premises)

FOR VALUE RECEIVED, the undersigned ("*Assignor*") hereby assigns, transfers and sets over unto Goddard Franchisor LLC, a Delaware limited liability company ("*Assignee*"), all of Assignor's right, title and interest as lessee in, to and under that certain lease, a copy of which is attached hereto (the "*Lease*"), respecting the premises located at ____ ____________________ (the "*Premises*").

This Collateral Assignment of Lease (the "*Collateral Assignment*") is for collateral purposes only and except as specified herein, neither Assignee nor its designee shall have any liability or obligation of any kind whatsoever arising from or in connection with this Collateral Assignment or the Lease unless Assignee or its designee takes possession of the Premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder. Assignor hereby agrees to indemnify and hold harmless Assignee and, if applicable, its designee from and against all claims and demands of any type, kind or nature made by any third party which arise out of or are in any manner connected with Assignor's use and occupancy of the Premises.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and Assignor's interest therein.

Upon a default by Assignor under the Lease or under the Franchise Agreement for The Goddard School franchise between Assignee and Assignor (the "*Franchise Agreement*"), which is not cured within the time prescribed, Assignee or its designee shall have the right and is hereby empowered to take possession of the Premises demised by the Lease and have Assignor expelled therefrom; in such event, Assignor shall have no further right, title or interest in the Lease. For the avoidance of doubt, a termination of the Franchise Agreement is a default under the Lease which provides Lessor with the immediate right to exercise its remedies under the Lease, including Lessor's right of possession. Assignor shall reimburse Assignee or its designee, as applicable, for the costs and expenses incurred in connection with any such retaking, including, but not limited to the payment of any back rent and other payments due under the Lease, whether the payments are made by guaranty or separate agreement with Lessor or otherwise, attorneys' fees and expenses of litigation incurred in enforcing this Collateral Assignment, brokerage fees and commissions, costs incurred in reletting the Premises and putting the Premises in good working order and repair.

Assignor agrees that it shall not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee, including by reason of the purchase of the Premises by Assignor or a business entity affiliated with Assignor. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than 30 days before the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignor to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee or its designee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting such extension or renewal.

Upon termination or expiration of the Franchise Agreement or the Lease, Assignee or its designee shall have the right to enter the Premises and make all necessary modifications or alterations to the Premises for the removal of all articles which display Assignee's Proprietary Marks (as defined in the Franchise Agreement), including all signs, marketing materials, stationery and forms. Assignee's and its designee's right to enter shall not be deemed as trespassing.

Assignor understands and acknowledges that Assignee may delegate the performance of any or all of its obligations under this Collateral Assignment, and the right to exercise any of Assignee's rights under this Collateral Assignment, to an affiliate, manager, agent, independent contractor, or other third party designee. However, Assignee will remain responsible for ensuring that such obligations are performed in accordance with the terms of this Collateral Assignment.

All terms capitalized, but not defined herein, shall have the meaning ascribed thereto in the Lease.

The obligations of Assignor hereunder shall be individual, joint and several.

ASSIGNOR WOULD NOT SIGN THIS COLLATERAL ASSIGNMENT IF ASSIGNOR DID NOT AGREE TO BE BOUND BY ITS TERMS.

Intending to be bound hereby, the parties have signed this Collateral Assignment of Lease on ________________, ______.

ASSIGNOR:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

ASSIGNEE:
GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:___________________________________

Title:_______________________________

CONSENT AND AGREEMENT OF LESSOR
(To be signed when franchisee leases the premises)

The undersigned Lessor, a _______________________________ [insert type of entity and state of formation] ("*Lessor*"), having a principal place of business at __________________________ _____________ [insert address], the lessor under the Lease dated _________________________, ______ _______ (the "*Lease*"), between Lessor, and ____ _______ [insert franchisee] (collectively, "*Assignor*"), hereby approves the attached Collateral Assignment of Lease (the "*Collateral Assignment*") between Goddard Franchisor LLC, a Delaware limited liability company with a principal place of business of 1016 West Ninth Avenue, King of Prussia, PA 19406-3107 ("*GFL*") and Assignor. In connection with the Collateral Assignment, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and GFL agree as follows:

(a) In connection with GFL's proprietary system (the "*System*") for the establishment, development and operation of preschools, GFL and Assignor have entered into a franchise agreement (the "*Franchise Agreement*") for the development and operation of Assignor's The Goddard School franchise located at the Premises described in the Lease. Pursuant to the Lease, among other things, GFL is a third party beneficiary of the Lease, and in order to insure compliance with the proprietary System, Lessor is required to send all plans and specifications pertaining to the Premises to GFL for GFL's review, approval and consent. Assignor has executed the Collateral Assignment of Lease in favor of GFL.

(b) Lessor shall notify GFL in writing of (i) any default by Assignor under the Lease, as and when such defaults occur, with sufficient particularity identifying the Assignor's defaults (the "*Lease Notice of Default*"); and (ii) the commencement of legal proceedings to retake the Premises demised by the Lease ("*Notice of Eviction Proceedings*") if such proceedings commence more than 60 days after the Lease Notice of Default. Any Lease Notice of Default or Notice of Eviction Proceedings shall be sent to GFL concurrently with the giving of such notice to Assignor, if applicable.

(c) Pursuant to the Collateral Assignment, if Assignor defaults in its obligations under the Lease or under its Franchise Agreement which is not cured within the time prescribed, GFL shall have the right, but not the obligation, and is hereby empowered, to take possession of the Premises demised by the Lease, and in such event, Assignor shall have no further right, title or interest in the Lease.

(d) Pursuant to the Collateral Assignment, a termination of the Franchise Agreement is a default under the Lease which provides Lessor with the immediate right to exercise its remedies under the Lease, including Lessor's right of possession.

(e) GFL may exercise its rights under the Collateral Assignment upon the occurrence of any of the following events: (i) Lessor's receipt of notice from GFL that Assignor is in default of the Franchise Agreement and has failed to cure within the time prescribed thereunder (a "*Notice of Franchise Default*"), (ii) Lessor's receipt of notice from GFL that the Franchise Agreement has been terminated (a "*Notice of Franchise Termination*"), (iii) GFL's receipt from Lessor of any Lease Notice of Default, or (iv) GFL's receipt from Lessor of any Notice of Eviction Proceedings.

(f) If GFL elects to exercise its rights under the Collateral Assignment, GFL shall notify Lessor within 30 days of Lessor's receipt of a Notice of Franchise Default or of GFL's receipt of a Lease Notice of Default or a Notice of Eviction Proceedings, of GFL's intention to take possession of the Premises. In the event of Lessor's receipt of a Notice of Franchise Termination, GFL shall have the option rights described in paragraph (g) below. If GFL exercises its rights under the Collateral Assignment, GFL shall have no liability for any default of Assignor up to the point GFL assumes the Lease and Lessor delivers possession of the Premises to GFL.

(g) Within 60 days of Lessor's receipt of a Notice of Franchise Termination, if GFL elects to exercise its rights under the Collateral Assignment, GFL shall notify Lessor of its intention to take possession of the Premises with no liability for any default of Assignor up to the point GFL assumes the Lease.

(h) If GFL exercises its rights under the Collateral Assignment, Lessor shall take all action necessary to retake the Premises and deliver same to GFL. Such action shall include termination, eviction and legal action and GFL shall have no obligation under the Collateral Assignment until the Premises are lawfully tendered to it.

(i) If GFL takes possession of the Premises demised by the Lease and confirms to Lessor the assumption of the Lease by GFL as lessee thereunder, Lessor shall recognize GFL as lessee under the Lease.

(j) Lessor agrees that GFL may further assign the Lease to a person, firm or corporation who shall agree to assume lessee's obligations under the Lease, and upon such assignment, GFL shall have no further liability or obligation under the Lease as Assignee, lessee or otherwise.

(k) Upon termination or expiration of the Franchise Agreement or the Lease, GFL shall have the right to enter the Premises and make all necessary modifications or alterations to the Premises for the removal of all articles which display GFL's Proprietary Marks (as defined in the Franchise Agreement), including all signs, marketing materials, stationery and forms. GFL's right to enter shall not be deemed as trespassing.

(l) Lessor represents, warrants, and covenants that it has read the Collateral Assignment and acknowledges that the Franchise Agreement contains in-term and post-term restrictive covenants which provide, among other things, that upon expiration or termination of the Franchise Agreement, Assignor shall not compete with The Goddard School located at the Premises directly, or indirectly, by or through itself, on behalf of, or in conjunction with any other person or persons, partnership, corporation or other entity, which includes Lessor. Lessor covenants and agrees that for a period of one year following the expiration or termination of the Franchise Agreement and/or the Lease (whichever is later), Lessor, Lessor's officers, principals, shareholders, members (or any of their affiliates), shall not operate directly or indirectly a child daycare or preschool learning center or business at the Premises (other than a Goddard School under an effective Franchise Agreement with GFL for which Lessor, Lessor's officers, principals, shareholders, members (or any of their affiliates) is a franchisee).

(m) Notices required to be provided to GFL shall be in writing, sent by recognized overnight courier and delivered as follows;

GFL: Goddard Franchisor LLC
Attn: Chief Executive Officer
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

Lessor: ____________________________
____
____

(n) Lessor understands and acknowledges that GFL may delegate the performance of any or all of its obligations herein and/or under the Collateral Assignment, and the right to exercise any of GFL's rights herein and/or under the Collateral Assignment, to an affiliate, manager, agent, independent contractor, or other third party designee. However, GFL will remain responsible for ensuring that such obligations are performed in accordance with the terms set forth herein and under the Collateral Assignment, as applicable.

(o) All terms capitalized, but not defined herein, shall have the meaning ascribed thereto in the Lease.

(p) This Consent and Agreement of Lessor is binding upon the parties, their successors and assigns.

Intending to be bound, the parties have signed this Consent and Agreement of Lessor on ____________________, ______.

LESSOR: [Address] ________________________ _________________________________]	**GODDARD FRANCHISOR LLC** **1016 West Ninth Avenue** **King of Prussia, PA 19406-3107**
By:__________________________________	By:__________________________________
Title:______________________________	Title:______________________________

EXHIBIT C-12

OPTION TO LEASE AGREEMENT AND RIGHT OF FIRST REFUSAL

OPTION TO LEASE AGREEMENT AND RIGHT OF FIRST REFUSAL
(To be signed when franchisee or an affiliate owns the premises)

This Option To Lease Agreement and Right of First Refusal ("*Agreement*") is made _______________, 20____ between Goddard Franchisor LLC ("*GFL*"), a Delaware limited liability company and ____("*Owner*"), having a principal address of ____, and the undersigned Holders (as defined below).

BACKGROUND

A. Owner owns a certain lot or parcel of land, with all improvements located at ____ (the "*Premises*") and shown on Appendix A.

B. On or about ______________________________, the undersigned persons and entity affiliated or under common control with Owner (collectively, "*Franchisees*") and GFL entered into a franchise agreement (the "*Franchise Agreement*") for the establishment and operation of The Goddard School franchise (the "*School*") by Franchisees at the Premises.

C. GFL has approved the Premises as the location of the School conditioned on Owner and the holders of the equity interests in Owner (collectively, the "*Holders*") entering into this Agreement in order to preserve the Premises as the School in the event of the termination of the Franchise Agreement and to create a right of first refusal in favor of GFL.

AGREEMENT

With the Background section incorporated in this Agreement as if set forth in full, in consideration of the mutual promises contained in this Agreement and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties agree as follows:

1. **Grant of Option.** As a material essential condition for the approval of the Premises for the operation of the School, Franchisees hereby assign, transfer and set over unto GFL, its successors and assigns, all of Franchisees' right, title and interest as lessee in, to and under that certain lease, a copy of which is attached hereto respecting the Premises (the "*Lease*"), and GFL shall have the irrevocable right and option (the "*Option*"), upon termination of the Franchise Agreement, to lease the Premises pursuant to the terms and conditions set forth in the Lease, subject to the terms and conditions provided in this Agreement. Owner hereby consents to the above assignment and Option, all on the terms and conditions provided in this Agreement. The above assignment is for collateral purposes only and except as specified herein, GFL shall have no liability or obligation of any kind whatsoever arising from or in connection with this Agreement or the Lease unless GFL takes possession of the Premises demised by the Lease pursuant to the terms hereof and assumes its obligations thereunder. If GFL exercises the Option and takes possession of the Premises, Franchisees and Owner, jointly and severally, agree to indemnify and hold harmless GFL from and against all claims and demands of any type, kind or nature made by any third party which arise out of or are in any manner connected with Franchisees' prior ownership, use or occupancy of the Premises. This Agreement shall continue during the then-current term of the Franchise Agreement, and extend for the Option Period (as defined below) and, if GFL elects to exercise the Option, until Owner recognizes GFL as the lessee under the Lease. If the Lease has expired or been terminated before GFL's exercise of the Option, Owner shall enter into a new Lease with GFL on the same terms as contained in the Lease.

2. **<u>Option Period</u>.** GFL may exercise the Option at any time during a 60-day period (the "*Option Period*") starting on the effective date of a termination notice sent under the Franchise Agreement. If GFL wants to exercise the Option, GFL shall give Franchisees and Owner written notice before midnight on the 60th day of the Option Period. During the Option Period, GFL shall have the right to inspect the Premises and all of Owner's books and records relating to the Premises. Franchisees shall also permit GFL to inspect all of Franchisees' books and records relating to operation of the School, including but not limited to all financial records and statements for the past 3 full fiscal years.

3. **<u>Terms of Lease</u>.** If GFL exercises the Option, within five days after Owner's receipt of written notice from GFL advising Owner of GFL's election to exercise the Option, Owner shall take all action necessary to retake the Premises and deliver same to GFL. Such action shall include termination, eviction and (if necessary) legal action and GFL shall have no obligation under the Option and the Lease until the Premises are lawfully tendered to GFL. If GFL takes possession of the Premises demised by the Lease and confirms to Owner the assumption of the Lease by GFL as lessee thereunder, Owner shall recognize GFL as lessee under the Lease and GFL shall occupy the Premises under the terms and conditions of the Lease, including payment of the rent reserved in the Lease. Owner shall deliver possession of the Premises to GFL, free and clear of all rights of Franchisees and any third parties whatsoever.

Rent shall begin to accrue when GFL is in possession of the Premises, free and clear of any rights of Franchisees or any third parties. GFL shall be entitled, at its option, to offset against rent payable by GFL under the Lease all amounts required to cure Franchisees' defaults under the Franchise Agreement or any other agreement between the parties relating to the School.

4. **<u>Owner's Representations and Warranties</u>.** Owner represents and warrants as follows:

(A) Owner holds fee simple title to the Premises;

(B) This Agreement has been duly signed and delivered by Owner and constitutes the legal and binding obligation of the Owner, enforceable by its terms;

(C) The signing and delivery by Owner of this Agreement and the consummation of the transactions contemplated by this Agreement, and the performance by Owner of Owner's obligations under this Agreement shall not conflict with, or result in any violation, termination of, or default under (either immediately or with notice or lapse of time), or create any right of acceleration of any lien, charge or encumbrance pursuant to any provision of any agreement, contract, mortgage, lease, license or other instrument to which the Owner or the Premises are bound; and

(D) If GFL does not exercise the Option under this Agreement, GFL shall have the right (but not the obligation) to enter the Premises and make all necessary modifications or alterations to the Premises for the removal of all articles which display GFL's proprietary Marks (as defined in the Franchise Agreement), including all signs, marketing materials, stationery and forms. GFL's right to enter shall not be deemed as trespassing. This paragraph does not relieve Franchisees of any of their obligations under the Franchise Agreement, including the obligation to de-identify the premises post-termination.

5. **<u>Appointment of GFL as Agent</u>.** Franchisees hereby designate and appoint GFL as their authorized agent to sign any and all documents and take all action as may be necessary or desirable to effectuate the performance of any and all of Franchisees' duties under this Agreement in the event of termination of the Franchise Agreement and GFL's exercise of the Option. Franchisees agree to peaceably and promptly vacate the Premises and to remove Franchisees' personal property therefrom upon receipt of GFL's written notice of its exercise of the Option and its rights under this Agreement. Any property not so removed within 10 days following Franchisees' receipt of such written notice shall be deemed abandoned.

6. **<u>GFL's Right to Assign and/or Sublease</u>.** Notwithstanding any provisions to the contrary in the Lease, GFL reserves the right to assign the Option and/or the Lease (if GFL has exercised the Option) to an affiliate, subsidiary or franchisee of GFL without the consent of Owner and without recourse, provided

that the assignee shall sign and deliver to Owner an assumption agreement by which the assignee agrees to assume GFL's obligations under this Agreement and/or the Lease. GFL shall be relieved of any further liability upon the assumption by the assignee of GFL's obligations.

7. GFL's Right of First Refusal. GFL shall have a right of first refusal to purchase the Premises or any direct or indirect interest in the Premises according to the following procedures:

(A) If, at any time during the term of the Franchise Agreement or within 90 days after termination of the Franchise Agreement, Owner wants to sell or otherwise transfer the Premises, including the sale of an equity interest in Owner by one or more of the Holders, Owner must first give GFL notice (the "*Offer Notice*"). The Offer Notice must contain: (i) the price and terms of the offer; (ii) the name and address of the proposed purchaser; (iii) a copy of the proposed sales contract; and (iv) any other information that GFL may request to evaluate the offer. The Offer Notice will constitute an offer by Owner or the Holders, as the case may be, to sell to GFL the Owner's interest in the Premises (or the Holders' equity interests) on the price and terms set forth in the Offer Notice. Notwithstanding anything to the contrary in this Agreement, GFL's right of first refusal and the requirement to provide GFL with an Offer Notice shall apply only to transfers to third parties and shall not apply to any transfer of equity interests by the Holders among the Holders or their immediate family members. GFL may not exercise the right of first refusal if a proposed transfer is between or among individuals (including members of their immediate families) who, at the time of the proposed transfer, have an ownership interest in the Franchisees or the franchise or the School, and who have guaranteed the Franchisees' obligations under a then-outstanding indebtedness which is guaranteed by the United States Small Business Administration ("SBA").

(B) If GFL wants to accept this offer, GFL shall give Owner written notice (the "*Acceptance Notice*") within 30 days of GFL's receipt of the last of the required information. During this 30-day period, GFL shall have the right to inspect the Premises and all of Owner's books and records relating to the Premises. Franchisees shall also permit GFL to inspect all of Franchisees' books and records relating to operation of the School, including but not limited to all financial records and statements for the past three fiscal years. GFL's acceptance shall be on the same terms as stated in the Offer Notice, except the closing will be extended to 60 days after the date of the Acceptance Notice and GFL shall have the right to substitute equivalent cash for any non-cash consideration included in the offer. If GFL and Owner cannot agree within a reasonable time on the equivalent cash for any non-cash consideration, the fair market value of the non-cash consideration at issue shall be determined by an independent appraiser selected by agreement of Owner and GFL (the cost of the appraisal to be shared equally). If Owner and GFL are unable to select an independent appraiser within 10 business days from either party's written notice to the other requesting appraisal, each party shall appoint an appraiser within five business days after receiving notice to do so from the other party and the two appraisers shall jointly appoint a third independent appraiser which independent appraiser shall determine the fair market value of the non-cash consideration at issue, which determination shall be final and binding on the parties. If either party fails to appoint their party-appraiser within the time period permitted, the party failing to appoint its appraiser shall be deemed to have waived its right to an appraiser. In this event, the non-waiving party's appraiser shall perform the appraisal and such appraisal shall be binding on both Owner and GFL. Each party will bear the cost of the appraiser selected by it, and the cost of the third appraiser will be shared equally by the parties. If the Offer Notice involves property or assets not related to the operation of the School, GFL shall have the option to purchase only the property or assets related to the operation of the School or to purchase all of the offered property and assets, and the purchase price will be allocated accordingly, with disputes resolved through the appraisal process described in this paragraph. GFL shall have the right to substitute its own form of sales contract providing the same economic terms as in the contract delivered with the Offer Notice. If GFL elects to use the original form of sales contract, GFL may add all customary warranties and representations given by a seller, including those concerning ownership, condition, title, liens and encumbrances, validity of contracts and truth, accuracy and completeness of material information and issuance of equity interests.

(C) If GFL rejects the offer in writing, or if GFL does not give Owner the Acceptance Notice within 30 days, GFL will be deemed to have rejected the offer and Owner or Holders may, subject to the other provisions of this Agreement, sell Owner's interest in the Premises (or the Holders' equity interests) to a qualified third party on the price and terms in the Offer Notice but not on terms more favorable to the transferee than those in the Offer Notice. Owner or Holders must complete the sale to the proposed purchaser within 60 days after GFL rejects the offer or GFL will again have the right of first refusal provided in this Section 7.

(D) GFL may assign its right of first refusal to any affiliate, subsidiary or franchisee.

(E) The right of first refusal contained in this Section 7 does not apply to transfers to an entity for convenience of ownership, a transfer to an affiliate, an heir, trustee or mortgagee, or a transfer of the equity interests in Owner by the Holders among the Holders or their family members as provided above, but the provisions of Section 8 shall apply, as applicable, and any transferee of an equity interest in Owner shall agree to become a party to this Agreement as a condition of the transfer.

(F) GFL's right to approve or to disapprove a proposed transfer or transferee, or to exercise its right of first refusal with respect to a transfer of a controlling interest in Franchisees or the franchise or the School, shall not be affected by any of the foregoing provisions.

8. **Remedies and Additional Provisions.** Except as provided below, this Agreement shall run with the land and be binding upon the parties hereto and their successors, assigns, executors and administrators and representatives. The rights and obligations contained in this Agreement shall continue, notwithstanding changes in the person or entity that may hold any leasehold or ownership in the land or building. Notwithstanding the above, if Owner desires to transfer the Premises to a third party not affiliated with Franchisees or Holders desire to transfer any of their equity interests in Owner to such third party ("Third Party Transferee"), Owner or Holders may do so, after first offering such interests to GFL pursuant to the right of first refusal provided in Section 7, and if GFL does not elect to purchase the Premises or the equity interests, this Agreement and the Option shall terminate as to the Premises or the equity interests, as applicable, provided the following conditions are satisfied as required under Section 6A of the Franchise Agreement to provide GFL with a collateral assignment of lease as if Franchisees had leased the Premises from an unrelated third party originally:

(A) Franchisees and Third Party Transferee (or Owner in the case of a transfer of equity interests) enter into a lease (the "Third Party Lease") which has been approved by GFL, which consent will not be unreasonably withheld or delayed; and

(B) The Third Party Lease contains certain provisions including that:

i. the Premises shall be used only as The Goddard School;

ii. no part of the Premises may be assigned or subleased except as part of a sale of the School approved by GFL;

iii. GFL shall have the right to enter the Premises to inspect and make any modifications GFL deems necessary to protect GFL's proprietary marks;

iv. GFL shall have the right to receive an assignment of the Third Party Lease on termination of the Franchise Agreement; and

v. Franchisees shall not make any changes to the School building or Premises without GFL's consent.

Upon delivery of a collateral assignment of the Third Party Lease in a form GFL requires signed by Franchisees and GFL, and a consent to the lease assignment also in a form GFL requires signed by Third Party Transferee (or Owner) and GFL, this Agreement and the Option shall automatically terminate. The parties agree to sign and record any documents reasonably necessary to evidence the termination of this Agreement and the Option.

Similarly, if Franchisees transfer the School to a third party not affiliated with Franchisees ("Third Party Franchisee"), and Owner retains ownership of the Premises, and the transfer is in compliance with the requirements contained in the Franchise Agreement, including that Owner and Third Party Franchisee enter into a Third Party Lease which has been approved by GFL, which consent will not be unreasonably withheld or delayed, and the above conditions concerning the Third Party Lease contained in paragraph (B) above of this Section 8 are satisfied as required under Section 6A of the Franchise Agreement to provide GFL with a collateral assignment of lease as if Third Party Franchisee had leased the Premises from an unrelated third party owner originally, then this Agreement and the Option shall terminate.

The parties agree that GFL's rights under this Agreement do not, and are not intended to, compromise, prejudice or supersede the rights arising from any lien associated with the procurement of the initial funding used by Owner to purchase the Premises. The parties agree, however, that with respect to any subsequent liens that Owner allows to be placed on the Premises associated with a future mortgage or deed of trust, GFL's rights hereunder may be subordinated to the subsequent lien if the mortgagee or trustee agrees in writing, in a form acceptable to GFL, to recognize, honor and not disturb GFL's right to exercise the Option to elect to lease the Premises and enter into the Lease as set forth in this Agreement. If GFL exercises the Option, GFL shall, at the request of the mortgagee or trustee, deliver all subsequent lease payments to such mortgagee or trustee until the earlier of (i) the termination of the lease rights arising from the Option; or (ii) the satisfaction of the mortgage or deed of trust lien. In addition, if GFL exercises the Option, GFL has the right, at its option, to elect to make lease payments directly to the mortgagee or trustee in lieu of making such lease payments to Owner. If GFL does elect to make lease payments directly to the mortgagee or trustee in lieu of making lease payments to Owner, Owner agrees that such lease payments shall be a substitute for, and shall fully satisfy, GFL's rental obligations to Owner under the Lease. Owner further acknowledges and agrees that if Owner fails to timely make any payments due to any mortgagee or trustee under any mortgage or deed of trust associated with the Premises, GFL shall have the right, at its option, to make any such payments on behalf of Owner, to cure any defaults incurred by Owner and to take any other action that GFL, in its sole business judgment, deems necessary to protect any rights acquired by GFL through its exercise of the Option. In the event that GFL makes any payment to a mortgagee or trustee on behalf of Owner, or otherwise is required to incur expense to protect its rights acquired by exercise of the Option, Owner agrees to reimburse GFL for those payments and expenses, or, at GFL's option, to offset the amount of those payments and expenses against future lease payment or other monetary obligations that GFL may owe to Owner.

Any party may record this Agreement or documents related to or evidencing this Agreement in accordance with applicable law, at its own cost. Any party may seek equitable relief or injunctive relief including specific performance for actual or threatened violation or non-performance of this Agreement by any other party. Owner shall indemnify GFL against any damages incurred as a result of the lack of recordation, including but not limited to damages arising out of Owner's sale of the Premises or Holders' sale of their equity interests to a third party without notice of GFL's rights. Such remedies shall be in addition to all other rights provided for in this Agreement or by law.

9. **Multiple Owners.** If more than one person or entity has an ownership interest in the Premises or in the entity owning the Premises, the obligations of each such person under this Agreement shall be joint and several. No change in marital or other legal status between any of the parties to this Agreement will alter or limit that joint and several liability without GFL's express written release, which release may be withheld in GFL's sole business judgment.

10. **Delegation**. Owner, Holders, and Franchisees understand and acknowledge that GFL may delegate the performance of any or all of its obligations under this Agreement, and the right to exercise any of GFL's rights under this Agreement, to an affiliate, manager, agent, independent contractor, or other third party

designee. However, GFL will remain responsible for ensuring that such obligations are performed in accordance with the terms of this Agreement.

11. **Notices.** Any notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by registered or certified mail, return receipt requested, or sent by overnight courier or email to the respective parties at the address listed on the signature page of this Agreement unless a different address has been designated in writing by the other party. Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing. Notices by personal delivery, overnight courier, or email shall be effective upon the earlier of the date of delivery of such notice, or the date after the same was sent.

THE PARTIES WOULD NOT SIGN THIS AGREEMENT IF THEY DID NOT AGREE TO BE BOUND BY ITS TERMS.

[Signature Page Follows]

The parties execute this Option to Lease and Right of First Refusal Agreement as of the date first written above.

OWNER:

By:____________________________________
Name:
Address:
Email:_________________________________

HOLDERS:

____
Name:
Address:
Email:_________________________________

____
Name:
Address:
Email:_________________________________

FRANCHISEES:

By:____________________________________
Name:
Address:
Email:_________________________________

____
Name:
Address:
Email:_________________________________

____
Name:
Address:
Email:_________________________________

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107
Email: notices@goddardsystems.com

By: _________________________________
Name:
Title:

OPTION TO LEASE AGREEMENT AND RIGHT OF FIRST REFUSAL

APPENDIX A

PREMISES

EXHIBIT C-13

GODDARD FRANCHISOR LLC

ASSIGNMENT AND ASSUMPTION AGREEMENT
(PARTNERSHIP, CORPORATION or LIMITED LIABILITY COMPANY)

GODDARD FRANCHISOR LLC
ASSIGNMENT AND ASSUMPTION AGREEMENT

(PARTNERSHIP, CORPORATION or LIMITED LIABILITY COMPANY)

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "*Agreement*") is made and entered into on ________________________________, _____, by and among **GODDARD FRANCHISOR LLC**, a Delaware limited liability company, with its principal offices at 1016 West Ninth Avenue, King of Prussia, Pennsylvania 19406-3107 ("*GFL*"), and the undersigned [Name1] and [Name2] (collectively, "*Assignor*"), and____, ("*Assignee*") a _______ _____________ [corporation/limited liability company] owned and controlled by [Assignor/Name1/Name2].

BACKGROUND

A. Assignor and GFL entered into a certain Franchise Agreement dated _________________ _______, ______ (the "*Franchise Agreement*") whereby Assignor was given the right and undertook the obligation to operate The Goddard School franchise at the following location (the "*School*")

____

____

____

____

B. [Assignor/Name1/Name2] has organized and incorporated Assignee for the convenience and purpose of owning and operating the School.

C. Assignor desires to assign its rights and obligations under the Franchise Agreement to Assignee pursuant to and in accordance with the provisions of the Franchise Agreement.

D. GFL is willing to consent to the assignment of the Franchise Agreement to Assignee, subject to the terms and conditions of this Agreement, including Assignor's agreement to guarantee the performance by Assignee of its obligations under the Franchise Agreement and to continue to be bound by all of the provisions of the Franchise Agreement.

AGREEMENT

In consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Assignor hereby assigns and transfers over to Assignee all of its right, title and interest in and to the Franchise Agreement, effective as of the date hereof.

2. Assignee hereby assumes all of Assignor's obligations, agreements, commitments, duties and liabilities under the Franchise Agreement, and agrees to be bound by and observe and faithfully perform all of the obligations, agreements, commitments and duties of the Franchisee thereunder with the same force and effect as if the Franchise Agreement were originally written with Assignee as Franchisee.

3. Assignor agrees that Assignor shall continue to be bound by the terms and conditions of the Franchise Agreement which shall remain applicable to Assignor, including the provisions contained in Section 7 (Proprietary Marks), Section 8 (Confidential Operating Manual), Section 9 (Confidential Information), Section 10 (Accounting and Records), Section 12 (Transferability of Interest), Section 14 (Obligations Upon Termination or Expiration), Section 16 (Covenants), Section 18 (Independent

Contractor and Indemnification), Section 23 (Enforcement) and the general provisions, and that nothing contained in this Agreement shall be deemed to relieve Assignor of any of these obligations. Assignor further agrees to, and by this instrument does hereby, guarantee the performance by Assignee, in the same manner and with the same recourse against Assignor, as if Assignor were the Franchisee, of all of Assignee's obligations, commitments, duties and liabilities under the Franchise Agreement. Without limiting the foregoing, Assignor irrevocably and unconditionally guarantees to GFL: (i) that Assignee shall pay all amounts to be paid and otherwise comply with all provisions of the Franchise Agreement or any other agreement with GFL or its affiliates concerning the operation of the School; and (ii) that if Assignee defaults in making any such payments or complying with any such provisions, Assignor shall pay forthwith upon demand all amounts due and owing GFL and all damages that may arise as a result of any such non-compliance.

4. In the enforcement of any of its rights against Assignor, GFL may proceed as if Assignor were the primary obligor under the Franchise Agreement. Assignor waives any right to require GFL to first proceed against Assignee or to proceed against or exhaust any security (if any) held by GFL or to pursue any other remedy available to it before proceeding against Assignor. Assignor waives notice of demand for payment, protest, notice of protest and notice of default, and all other notices and legal or equitable defenses to which Assignor may be entitled. No dealings between GFL and Assignee shall exonerate, release, discharge or in any way reduce the obligations of Assignor hereunder, in whole or in part and in particular and without limiting the generality of the foregoing, GFL may modify or amend the Franchise Agreement, grant any indulgence, release, postponement or extension of time, waive any term or condition of the Franchise Agreement, or any obligation of Assignee, take or release any securities or other guarantees for the performance by Assignee of any of its obligations, and otherwise deal with Assignee as GFL may see fit without affecting, lessening or limiting in any way the liability of Assignor. Nothing but payment and satisfaction in full of the obligations owing GFL by Assignee shall release Assignor from Assignor's obligations under this Agreement. Notwithstanding any assignment for the general benefit of creditors or any bankruptcy or other act of insolvency by Assignee and notwithstanding any rejection, disaffirment or disclaimer of this Agreement or the Franchise Agreement, Assignor shall continue to be fully liable. Upon any such assignment for the general benefit of creditors, bankruptcy or other act of insolvency, or the winding up or distribution of any of the assets of Assignee, GFL's rights shall not be affected or impaired by its omission to prove its claim or to prove its full claim and GFL may prove such claims as it sees fit and may refrain from proving any claim. Neither the liability of Assignor nor the rights of GFL shall in any way be released, diminished, or extinguished or in any way affected by any failure on the part of GFL to assert its rights under this Agreement.

5. This Agreement shall be binding upon and inure to the benefit of the parties and their heirs, successors and assigns.

6. Assignor and Assignee agree that this Agreement takes effect when accepted and signed by GFL in Pennsylvania. This Agreement shall be construed under the laws of the Commonwealth of Pennsylvania and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the Commonwealth of Pennsylvania, which laws shall prevail in the event of any conflict of law. If GFL moves its corporate headquarters, it shall have the option of determining that the substantive law of the state to which it moves will replace all references to Pennsylvania law in this Agreement, or of continuing to have Pennsylvania law apply. If GFL chooses to have the law of the new state apply, GFL will so notify Assignor and Assignee within six months of its move, and the chosen law will apply to the parties; except any franchise registration or disclosure law or any franchise relationship law of the new state will only apply where the jurisdictional requirements of the law are otherwise met. Assignor and Assignee acknowledge that they have and will continue to develop a substantial and continuing relationship with GFL at its offices in the Commonwealth of Pennsylvania, where its decision-making authority is vested and franchise operations are conducted and supervised. Except for GFL's right to obtain injunctive relief in any appropriate forum, any action arising out of or relating to this Agreement

shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in the Commonwealth of Pennsylvania for the district or county in which GFL's headquarters are then located. Assignor and Assignee irrevocably submit to the jurisdiction of these courts, waive any objection they may have to either the jurisdiction or venue of these courts and agree not to argue that any of these courts is an inconvenient forum. If GFL moves its corporate headquarters, Assignor and Assignee acknowledge that they will have a substantial and continuing relationship with GFL in the state to which it moves and that any references to Pennsylvania in this paragraph will be deemed to be references to the new state.

7. Assignor and Assignee understand and acknowledge that GFL may delegate the performance of any or all of its obligations under this Agreement, and the right to exercise any of GFL's rights under this Agreement, to an affiliate, manager, agent, independent contractor, or other third party designee. However, GFL will remain responsible for ensuring that such obligations are performed in accordance with the terms of this Agreement.

8. This Agreement shall constitute the entire integrated agreement between the parties with respect to the subject matter contained herein and shall not be subject to change, modification, amendment or addition without the express written consent of all the parties.

9. If GFL retains the services of legal counsel to enforce the terms of this Agreement, GFL shall be entitled to recover all costs and expenses, including travel, attorneys', expert and investigative fees, incurred in enforcing the terms of this Agreement.

10. Any person executing this Agreement on behalf of a corporate entity represents and warrants that he/she is duly authorized to bind the corporate entity.

11. The obligations of Assignor and Assignee under this Agreement shall be joint and several.

I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT AGREE TO BE BOUND BY ITS TERMS.

Intending to be legally bound, the parties execute this Agreement as of the date first written above.

ASSIGNOR:	**ASSIGNEE:**
	______________________________
______________________________ Name: Address:	By:______________________________ Title:___________________________
______________________________ Name: Address:	**GODDARD FRANCHISOR LLC** **1016 West Ninth Avenue** **King of Prussia, PA 19406-3107**
______________________________ Name: Address:	
______________________________ Name: Address:	By:______________________________ Title:___________________________

EXHIBIT C-14

DISCLOSURE ACKNOWLEDGEMENT STATEMENT

NOTE: THIS DISCLOSURE ACKNOWLEDGEMENT STATEMENT SHALL NOT BE COMPLETED OR SIGNED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE GODDARD SCHOOL FRANCHISE IS SUBJECT TO THE STATE FRANCHISE REGISTRATION/DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

DO NOT SIGN THIS DISCLOSURE ACKNOWLEDGEMENT STATEMENT IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA OR MARYLAND.

DISCLOSURE ACKNOWLEDGEMENT STATEMENT

(To be signed when applicant signs Preliminary Agreement and franchisee signs Franchise Agreement)

GODDARD FRANCHISOR LLC ("*GFL*") through the use of this document, desires to ascertain that I, ____ fully understand and comprehend that the purchase of The Goddard School franchise is a business decision, complete with its associated risks, and that it is the company policy of GFL to verify that I am not relying upon any statements, representations, promises or assurances during the negotiations for the purchase of the franchise which are not contained in GFL's disclosure document and which have not been authorized by GFL.

1. I recognize and understand that the business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including my skills and abilities, the number of hours I work, competition, interest rates, the economy, inflation, school location, operation costs, lease terms and costs and the marketplace. I hereby acknowledge that I am willing to undertake these business risks.

2. I have had the opportunity to seek professional assistance and to have professionals review the franchise documents and to consult with me regarding the risks associated with the purchase of the franchise.

3. I agree that the decision to enter into this business risk is in no manner based upon any representations, assurances, warranties, guarantees or promises made by GFL or its affiliates as to the likelihood of success of the franchise. I further acknowledge that I have not received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings, except for the information contained in GFL's disclosure document and except for the actual records of an existing school that I was considering buying, if applicable. **If I believe that I have received information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than the information contained in GFL's disclosure document, or other than actual records of an existing school that I was considering buying, this additional information is described in the space below; or, if I have received no such information, I have written "None" below.**

____

____

4. I acknowledge that I received GFL's disclosure document at least 14 calendar days before I signed the Preliminary Agreement and/or Franchise Agreement or other binding franchise related agreement or paid GFL or its affiliates any monies, refundable or otherwise, or earlier in the sales process if I requested it, or sooner if required under state law (at least 10 business days in Michigan, and at least the earlier of 10 business days (14 calendar days in Iowa) or the first personal meeting in Iowa and New York). I also acknowledge receipt of the Preliminary Agreement and/or Franchise Agreement and other signature documents, with all blanks completed and with any amendments and exhibits, at least seven calendar days before I signed the agreement, not including merely inserting my name and address and other information, or incorporating any changes that were a result of negotiated changes I requested and had an opportunity to review before signing the agreement. I acknowledge that before furnishing a disclosure document to me, GFL's or its affiliate's employee or agent advised me of the formats in which the disclosure document is made available

and any prerequisites for obtaining and conditions necessary for reviewing the disclosure document in a particular format. This Disclosure Acknowledgement Statement will survive the execution and delivery of any Preliminary Agreement and the Franchise Agreement.

Acknowledged and accepted this ___day of _______________________________, 20__.

____	____
Name:	Name:
Address:	Address:
____	____
Name:	Name:
Address:	Address:

EXHIBIT C-15.1

CONFIDENTIALITY AGREEMENT
(for trained employees of and others associated with the franchisee)

CONFIDENTIALITY AGREEMENT
(for trained employees of and others associated with the franchisee)

In consideration of my being a ___________________________ [fill in relationship to the franchisee, for example, director, employee, designated on-site operator, vendor] of _____________________________ ___________________________ [fill in name of franchisee] d/b/a The Goddard School located in __________________ ("*you*"), the disclosure to me of certain confidential information and trade secrets, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, I acknowledge and agree that:

1. You have acquired the right and franchise from **GODDARD FRANCHISOR LLC**, a Delaware limited liability company (the "*Franchisor*") to establish and operate a school offering primarily preschool learning programs and care for children between six weeks and 6 years of age under the name **The Goddard School®** (the "*School*") and the limited right to use in the operation of the School the Franchisor's registered trade names, trademarks and service marks, including the service mark **The Goddard School®** (the "*Marks*") and the Franchisor's system for operation and management of **The Goddard School®** businesses (the "*System*"), as they may be changed, improved and further developed from time to time in the Franchisor's sole business judgment.

2. In my position with you described at the beginning of this Agreement, you and/or the Franchisor may disclose Confidential Information to me. Confidential Information means information, or a compilation of information, in any form (tangible or intangible), related to the System and any other aspects of your or the Franchisor's business that the Franchisor has not made public or authorized public disclosure of and that is not already generally known to the public or to other persons who might obtain value or competitive advantage from its disclosure or use. The Franchisor's Confidential Information includes, but is not limited to: the Manual (the "Manual") and its contents, and other business methods; business plans and analysis; marketing plans and strategies; information regarding franchisees and prospective franchisees; research and development data; trade secrets; copyrightable materials; knowledge, know-how, methods and techniques; computer programs; innovations and un-patented inventions; and information about third parties (including, but not limited to, customers and franchisees) that such third parties provide to you or the Franchisor in confidence (such as financial or personal information, student lists, and student information).

3. I acknowledge that the System is unique and not available to the general public, and that I do not have, and will not acquire, any ownership interest in the System, the Marks, the Manual or other Confidential Information. Confidential Information is owned by the Franchisor, includes trade secrets of the Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I will hold in strict confidence all Confidential Information. I will not use, copy, disclose or divulge any part of the Manual or other Confidential Information that has been or may be communicated or disclosed to me or that I may learn in my position with you, other than disclosure to other employees of yours, as needed to fulfill my employment responsibilities, but only to the extent necessary. The use or duplication of Confidential Information for any use outside of my employment is unauthorized and is strictly prohibited. My obligations under this paragraph shall survive the termination of my employment. If an additional time limitation on this restriction is required by law in order for it to be enforceable, then this restriction shall be limited to a period of three years following the termination of my employment for any information that does not qualify as a trade secret. Trade secret information will remain protected at all times and nothing herein shall be construed to reduce or diminish the applicability of trade secret protections, statutory or common law, that apply to the Franchisor's trade secrets independent from this Agreement. Nothing herein shall be construed to require withholding information in violation of any applicable state or federal law, or to prohibit the reporting of information where doing so is protected by law.

4. I will only have the right to use Confidential Information for the purpose it is disclosed to me in my capacity with you unless the Franchisor otherwise grants me permission in writing. For example, if I am an employee, I may use Confidential Information only in the performance of my duties in the operation of the School. I will continue not to disclose any Confidential Information and I will not use any Confidential Information for my own benefit or the benefit of any other person even after I cease my relationship with you unless I can demonstrate that the information has become generally known or easily accessible other than by my breach of this Agreement or your breach of an obligation to the Franchisor or unless the Franchisor otherwise grants me permission in writing.

I agree to protect all user IDs, passwords, or other login and user authentication credentials, issued by you and/or the Franchisor, as Confidential Information. I agree not to share these credentials with anyone who does not have a business need to know and use this information. I also agree to immediately report to you and Franchisor if I discover or suspect that login credentials may have been compromised or accessed by unauthorized persons.

5. I will disclose promptly to you any idea, improvement, invention, concept, technique, copyright eligible work, intellectual property, software or material that I conceive, develop, discover, create or reduce to practice (a) concerning the System, including any aspects of the System or any Confidential Information, or (b) that results from work I perform for you, perform on your time, or perform using your property or resources; all such works and materials being referred to as "Inventions and Intellectual Property" or "IIP". I hereby grant and assign to the Franchisor my entire right, title, and interest in and to any and all IIP that I conceive, discover, develop, create or reduce to practice, alone or with others, during employment with you, regardless of whether such occurs during regular working hours. The Franchisor shall exclusively own all rights, moral or otherwise, in all IIP. To the extent that I retain any moral rights under applicable law, I hereby ratify and consent to any action that may be taken or authorized by the Franchisor with respect to such moral rights and agree not to assert any moral rights with respect thereto. Any copyrightable IIP is a "work for hire" under the Copyright Act, and the Franchisor shall be considered the author and owner of these copyrightable works. If an item of IIP does not qualify as a work made for hire by me, by signing this Agreement, I hereby assign to Franchisor ownership of any and all rights in such IIP. Franchisor may use IIP and any other information provided by me in any manner deemed appropriate by Franchisor without additional compensation to or consent by me. While employed by you, and as necessary thereafter, I shall, upon your request, promptly execute all applications, assignments, or other instruments to apply for and obtain invention rights, patents, patent applications, letters patent, copyrights, trademarks, and reissues of any of these rights in and on IIP within the United States and foreign countries that are necessary to secure for Franchisor the complete benefit of the IIP and to confirm this present assignment of the sole and exclusive rights, title, and interest in and to my right in and to IIP. **Where required by state law, I understand that the provisions of this Agreement requiring assignment of IIP do not apply to any IIP for which none of your equipment, supplies, facilities or trade secret information was used and which was developed entirely on my own time, unless (a) the invention relates directly to your business or actual or demonstrably anticipated research or development, or (b) the invention results from any work I performed for you.**

6. I agree that, at the time I leave your employment, I will deliver to you (and will not keep in my possession, recreate or deliver to anyone else) any and all data, information, documents or other property (in "hard" format, electronic or otherwise), or reproductions of any the aforementioned items, developed by me pursuant to my employment with you or otherwise belonging to you, including any and all Confidential Information.

7. Except as otherwise approved in writing by the Franchisor, I will not, (A) at any time, do or perform, any act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System,

8. I agree that each of the covenants above will be construed as independent of the others and of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Franchisor is a party, I expressly agree to be bound by any lesser covenant included within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Franchisor will have the right to reduce the scope of any covenant set forth in this Agreement, or any portion of any covenant, without my consent, effective immediately upon receipt by me of written notice; and I agree to comply with any covenant as so modified.

10. The Franchisor is a third-party beneficiary of this Agreement and may, directly or through its designee, enforce it, solely and/or jointly with you. I am aware that my violation of this Agreement will cause you and the Franchisor irreparable harm; therefore, I acknowledge and agree that you and/or the Franchisor (or its designee) may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay you or the Franchisor (or its designee) all the costs you or the Franchisor (or its designee) incur, including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to you and the Franchisor, any claim I have against you or the Franchisor (or its designee) will be a separate matter and will not entitle me to violate this Agreement and will not justify any violation of this Agreement.

11. This Agreement will be governed by the internal laws of the Commonwealth of Pennsylvania. This Agreement may only be changed in a writing signed by both me and you and consented to by the Franchisor.

Signature:____
[of director, employee, vendor, etc.]

Printed Name: ___________________________________

Address:____

Title/Relationship to Franchisee:__________________________________

Date: ___________________________________

ACKNOWLEDGED BY FRANCHISEE

FRANCHISEE:
____________________________ [entity name],
a _____________________ [corporation]/[limited liability Franchisor]

Signature:_________________________________

Printed Name: ___________________________

Title: ___________________________________

Date: ____________________________

EXHIBIT C-15.2

CONFIDENTIALITY AGREEMENT

(for franchise sales prospects and individuals attending training before signing the Franchise Agreement)

CONFIDENTIALITY AGREEMENT
(for franchise sales prospects and individuals attending training before signing the Franchise Agreement)

In connection with the undersigned Recipient's possible purchase all or a portion of an existing **The Goddard School®** preschool (the "School") business from an existing franchisee (the "Seller") and to the extent GODDARD FRANCHISOR LLC, a Delaware limited liability company (the "Company" or "GFL") approves Recipient to attend training in my capacity as a [member] [employee] of the entity that is the prospective purchaser of the School and a prospective franchisee of the Company (the "Recipient").

The Recipient has been or will be furnished with certain confidential information regarding the School owned by GFL and/or by Seller. Seller and GFL desire to protect the Confidential Information from unauthorized disclosure and to ensure that it is used by Recipient only in Recipient's evaluation of the acquisition of the School or in relation to training for the operation of the School as a **The Goddard School®** preschool.

For other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, each of the undersigned, jointly and severally, acknowledges and agrees that:

1. The Company, its affiliates, and its predecessors have established a system for the operation and management of THE GODDARD SCHOOL® businesses (the "System"), as it may be changed, improved and further developed from time to time in the Company's sole business judgment. The Seller has acquired the right and franchise from the Company to establish and operate the School, which offers primarily preschool learning programs and care for children and the right to use in the operation of the Company's licensed trade names, trademarks, service marks, including the service mark THE GODDARD SCHOOL® (the "Proprietary Marks") and the System.

2. The Seller's franchised business utilizes certain proprietary and confidential information licensed from the Company relating to the System, which includes the Operations Manual (the "Manual") and its contents, trade secrets and other confidential or proprietary information or compilations, any material in which the Company claims copyright protection, knowledge, know-how, methods and techniques concerning the methods of operation of a Goddard School, and information disclosed in connection with any Company franchisee or other training program (together, "Confidential Information"). Confidential Information also includes the list of students, student information, faculty information, financial information and other confidential information, compilations and trade secrets used by the School.

3. The Confidential Information is confidential and disclosure to parties other than Recipient will cause irreparable harm to Seller and/or to GFL. Recipient agrees that it shall not disclose the Confidential Information or any part of the Confidential Information to any person or entity other than Recipient's professional advisors. Any professional advisor to whom the Confidential Information is to be disclosed under this Agreement shall first be informed of the confidential and/or proprietary nature of the Confidential Information and shall agree to be bound by this Agreement. Recipient shall use the Confidential Information only in connection with its evaluation of the School for the sole purpose of operating the School as **The Goddard School®** preschool under a franchise agreement with GFL. In the event Recipient does not purchase the School, Recipient shall return all of the Confidential Information to Seller and/or GFL (or GFL's designee), as applicable, and shall not keep copies of all or any part of the Confidential Information, including without limitation any memoranda, reports or other data or information, in any form or media, which includes, relates to or otherwise reflects the Confidential Information.

4. Recipient acknowledges that the System is unique and not available to the general public, and he/she had no part in the creation or development of the System, including the Proprietary Marks, the Manual and other Confidential Information. The Recipient will not acquire any interest in Confidential Information. Confidential Information is owned by the Company and is disclosed to Recipient solely on the condition that he/she agrees, and he/she does hereby agree, that he/she will hold in strict confidence all Confidential Information. Recipient will not use, copy, disclose or divulge any part of the Manual or other Confidential

Information which has been or may be communicated or disclosed or which Recipient learned or may learn. The use or duplication of Confidential Information for any use outside the System would be unauthorized disclosure and an unfair method of competition.

5. Recipient will only have the right to use Confidential Information for the purpose it is disclosed to him/her in their capacity as described herein unless the Company otherwise grants me permission in writing. Recipient will continue not to disclose any Confidential Information and will not use any Confidential Information for his/her own benefit or the benefit of any other person or company unless he/she can demonstrate that the information has become generally known or easily accessible other than by Recipient's breach of this Agreement unless the Company otherwise grants Recipient permission in writing.

6. Except as otherwise approved in writing by the Company, I will not at any time, do or perform, any act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System.

7. Recipient agrees that each of the covenants above will be construed as independent of the others and of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held to be unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, Recipient expressly agrees to be bound by any lesser covenant included within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

8. Recipient understands and acknowledges that the Company or Seller will have the right to reduce the scope of any covenant set forth in this Agreement, or any portion of any covenant, without Recipient's consent, effective immediately upon receipt by me of written notice; and Recipient agrees to comply with any covenant as so modified.

9. Recipient is aware that his/her violation of this Agreement will cause the Seller and/or the Company irreparable harm; therefore, Recipient acknowledges and agrees that the Seller and/or the Company (or the Company's designee) may apply for the issuance of an injunction preventing Recipient from violating this Agreement, and Recipient agrees to pay the Seller and/or the Company (or the Company's designee) all the costs the Seller and/or the Company (or the Company's designee) incur, including, without limitation, legal fees and expenses, if this Agreement is enforced against Recipient. Due to the importance of this Agreement to the Seller and the Company, any claim I may have against the Seller or the Company (or the Company's designee) will be a separate matter and will not entitle Recipient to violate this Agreement and will not justify any violation of this Agreement.

10. This Agreement takes effect when accepted and executed by the Recipient(s) and Seller.

11. The Agreement shall be construed under the laws of the Commonwealth of Pennsylvania and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the Commonwealth of Pennsylvania, which laws shall prevail in the event of any conflict of law. Recipient and Seller agrees that they have and will continue to develop a substantial relationship with the Company in the Commonwealth of Pennsylvania, where the Company's decision-making authority is vested and franchise operations are conducted and supervised. Except for the Company's right to obtain injunctive relief in any appropriate forum, any action arising out of or relating to this Agreement shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in the Commonwealth of Pennsylvania for the district or county in which Company's headquarters are located. The Seller and Recipient irrevocably submit to the jurisdiction of these courts, waive any objection they may have to either the jurisdiction or venue of these courts and agree not to argue that these courts are inconvenient forums.

12. This Agreement may only be changed in a writing signed by all the parties.

13. This Agreement constitutes the entire integrated Agreement related to the subject matter of this Agreement and may not be modified or amended except in a writing signed by Recipient, Seller and GFL.

This Agreement shall inure to the benefit of Seller and GFL, jointly and severally, and their respective successors and assigns, and may be enforced by Seller and GFL (or GFL's designee) acting jointly or by either Seller or GFL (or GFL's designee) acting alone.

RECIPIENT:

Signature: ________________________________

Printed Name: ________________________________
Address: ____________________________________
____
Email: __________________________________
Date: ___________________________________

Signature: ________________________________

Printed Name: ________________________________
Address: ____________________________________
____
Email: __________________________________
Date: ___________________________________

SELLER:

Signature: ________________________________

Printed Name: ________________________________
Address: ____________________________________
____
Email: __________________________________
Date: ___________________________________

EXHIBIT C-15.3

CONFIDENTIALITY AGREEMENT
(possible add-on franchisee)

CONFIDENTIALITY AGREEMENT
(possible add-on franchisee)

In connection with the undersigned Recipient's possible purchase all or a portion of an existing **The Goddard School®** preschool (the "School") business from an existing franchisee (the "Seller") and to the extent GODDARD FRANCHISOR LLC, a Delaware limited liability company (the "Company" or "GFL") approves Recipient to be added as an individual franchisee on the Franchise Agreement and Assignment and Assumption Agreement and as a member of the entity franchisee ("Recipient").

The Recipient has been or will be furnished with certain confidential information regarding the School owned by GFL and/or by Seller. Seller and GFL desire to protect the Confidential Information from unauthorized disclosure and to ensure that it is used by Recipient only in Recipient's evaluation of the acquisition of the School or in relation to training for the operation of the School as a **The Goddard School®** preschool.

For other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, each of the undersigned, jointly and severally, acknowledges and agrees that:

1. The Company, its affiliates, and its predecessors have established a system for the operation and management of THE GODDARD SCHOOL® businesses (the "System"), as it may be changed, improved and further developed from time to time in the Company's sole business judgment. The Seller has acquired the right and franchise from the Company to establish and operate the School, which offers primarily preschool learning programs and care for children and the right to use in the operation of the Company's licensed trade names, trademarks, service marks, including the service mark THE GODDARD SCHOOL® (the "Proprietary Marks") and the System.

2. The Seller's franchised business utilizes certain proprietary and confidential information licensed from the Company relating to the System, which includes the Operations Manual (the "Manual") and its contents, trade secrets and other confidential or proprietary information or compilations, any material in which the Company claims copyright protection, knowledge, know-how, methods and techniques concerning the methods of operation of a Goddard School, and information disclosed in connection with any Company franchisee or other training program (together, "Confidential Information"). Confidential Information also includes the list of students, student information, faculty information, financial information and other confidential information, compilations and trade secrets used by the School.

3. The Confidential Information is confidential and disclosure to parties other than Recipient will cause irreparable harm to Seller and/or to GFL. Recipient agrees that it shall not disclose the Confidential Information or any part of the Confidential Information to any person or entity other than Recipient's professional advisors. Any professional advisor to whom the Confidential Information is to be disclosed under this Agreement shall first be informed of the confidential and/or proprietary nature of the Confidential Information and shall agree to be bound by this Agreement. Recipient shall use the Confidential Information only in connection with its evaluation of the School for the sole purpose of operating the School as **The Goddard School®** preschool under a franchise agreement with GFL. In the event Recipient does not purchase the School, Recipient shall return all of the Confidential Information to Seller and/or GFL (or GFL's designee), as applicable, and shall not keep copies of all or any part of the Confidential Information, including without limitation any memoranda, reports or other data or information, in any form or media, which includes, relates to or otherwise reflects the Confidential Information.

4. Recipient acknowledges that the System is unique and not available to the general public, and he/she had no part in the creation or development of the System, including the Proprietary Marks, the

Manual and other Confidential Information. The Recipient will not acquire any interest in Confidential Information. Confidential Information is owned by the Company and is disclosed to Recipient solely on the condition that he/she agrees, and he/she does hereby agree, that he/she will hold in strict confidence all Confidential Information. Recipient will not use, copy, disclose or divulge any part of the Manual or other Confidential Information which has been or may be communicated or disclosed or which Recipient learned or may learn. The use or duplication of Confidential Information for any use outside the System would be unauthorized disclosure and an unfair method of competition.

5. Recipient will only have the right to use Confidential Information for the purpose it is disclosed to him/her in their capacity as described herein unless the Company otherwise grants me permission in writing. Recipient will continue not to disclose any Confidential Information and will not use any Confidential Information for his/her own benefit or the benefit of any other person or company unless he/she can demonstrate that the information has become generally known or easily accessible other than by Recipient's breach of this Agreement unless the Company otherwise grants Recipient permission in writing.

6. Except as otherwise approved in writing by the Company, I will not at any time, do or perform, any act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System.

7. Recipient agrees that each of the covenants above will be construed as independent of the others and of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held to be unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, Recipient expressly agrees to be bound by any lesser covenant included within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

8. Recipient understands and acknowledges that the Company or Seller will have the right to reduce the scope of any covenant set forth in this Agreement, or any portion of any covenant, without Recipient's consent, effective immediately upon receipt by me of written notice; and Recipient agrees to comply with any covenant as so modified.

9. Recipient is aware that his/her violation of this Agreement will cause the Seller and/or the Company irreparable harm; therefore, Recipient acknowledges and agrees that the Seller and/or the Company (or the Company's designee) may apply for the issuance of an injunction preventing Recipient from violating this Agreement, and Recipient agrees to pay the Seller and/or the Company (or the Company's designee) all the costs the Seller and/or the Company (or the Company's designee) incur, including, without limitation, legal fees and expenses, if this Agreement is enforced against Recipient. Due to the importance of this Agreement to the Seller and the Company, any claim I may have against the Seller or the Company (or the Company's designee) will be a separate matter and will not entitle Recipient to violate this Agreement and will not justify any violation of this Agreement.

10. This Agreement takes effect when accepted and executed by the Recipient(s) and Seller.

11. The Agreement shall be construed under the laws of the Commonwealth of Pennsylvania and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the Commonwealth of Pennsylvania, which laws shall prevail in the event of any conflict of law. Recipient and Seller agrees that they have and will continue to develop a substantial relationship with the Company in the Commonwealth of Pennsylvania, where the Company's decision-making authority is vested and franchise operations are conducted and supervised. Except for the Company's right to obtain injunctive relief in any appropriate forum, any action arising out of or relating to this Agreement shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in the Commonwealth of Pennsylvania for the district or county in which Company's headquarters are located. The Seller and

Recipient irrevocably submit to the jurisdiction of these courts, waive any objection they may have to either the jurisdiction or venue of these courts and agree not to argue that these courts are inconvenient forums.

12. This Agreement may only be changed in a writing signed by all the parties.

13. This Agreement constitutes the entire integrated Agreement related to the subject matter of this Agreement and may not be modified or amended except in a writing signed by Recipient, Seller and GFL. This Agreement shall inure to the benefit of Seller and GFL, jointly and severally, and their respective successors and assigns, and may be enforced by Seller and GFL acting jointly or by either Seller or GFL acting alone.

RECIPIENT:

Signature: ______________________________

Printed Name: ______________________________
Address: __________________________________
____
Email: ________________________________
Date: _________________________________

Signature: ______________________________

Printed Name: ______________________________
Address: __________________________________
____
Email: ________________________________
Date: _________________________________

SELLER:

Signature: ______________________________

Printed Name: ______________________________
Address: __________________________________
____
Email: ________________________________
Date: _________________________________

EXHIBIT C-16

CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

GODDARD FRANCHISOR LLC
CONFIDENTIALITY AND NONCOMPETITION AGREEMENT
(for individuals attending training before signing the Franchise Agreement and individuals added to Franchise Agreement)

In consideration of the consent granted by GODDARD FRANCHISOR LLC, a Delaware limited liability company (the "Company") to allow me ____ [to attend training in my capacity as a [member] [employee] of the entity that is [the prospective purchaser of the Franchised Business and a prospective franchisee of the Company (the "Franchisee")]

[,] [to be added as an individual franchisee on the Franchise Agreement and Assignment and Assumption Agreement and as a member of the entity franchisee ["Franchisee")]

[to attend training in my capacity as a [member] [employee] of the entity that is the owner of the Franchised Business and a franchisee of the Company ("Franchisee")]

and for the disclosure to me of certain confidential information and trade secrets by the Company and/or by the Franchisee of THE GODDARD SCHOOL® located at ______________________________ ______________________________ (the "Franchised Business"), and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, each of the undersigned, jointly and severally, acknowledges and agrees that:

1. The Company, its affiliates, and its predecessors have established a system for the operation and management of THE GODDARD SCHOOL® businesses (the "System"), as it may be changed, improved and further developed from time to time in the Company's sole business judgment. The Franchisee has acquired the right and franchise from the Company to establish and operate the Franchised Business as a school offering primarily preschool learning programs and care for children and the right to use in the operation of the Franchised Business the Company's licensed trade names, trademarks, service marks, including the service mark THE GODDARD SCHOOL® (the "Proprietary Marks") and the System.

2. The Franchised Business utilizes certain proprietary and confidential information licensed from the Company relating to the System, which includes the Operations Manual (the "Manual") and its contents, trade secrets and other confidential or proprietary information or compilations, any material in which the Company claims copyright protection, knowledge, know-how, methods and techniques concerning the methods of operation of a Goddard School, and information disclosed in connection with any Company franchisee or other training program (together, "Confidential Information"). Confidential Information also includes the list of students, student information, faculty information, financial information and other confidential information, compilations and trade secrets used by the Franchised Business.

3. In my capacity relative to the Franchisee and the Franchised Business, the Franchisee, the Franchised Business and/or the Company have disclosed and will disclose Confidential Information to me.

4. I acknowledge that the System is unique and not available to the general public and I had no part in the creation or development of the System, including the Proprietary Marks, the Manual and other Confidential Information. I will not acquire any interest in Confidential Information. Confidential Information is owned by the Company and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I will hold in strict confidence all Confidential Information. I will not use, copy, disclose or divulge any part of the Manual or other Confidential Information which has been or may be communicated or disclosed to me or which I have learned or may learn. The use or duplication of Confidential Information for any use outside the System would be unauthorized disclosure and an unfair method of competition.

5. I will only have the right to use Confidential Information for the purpose it is disclosed to me in my capacity relative to the Franchisee and the Franchised Business unless the Company otherwise grants me permission in writing. I will continue not to disclose any Confidential Information and I will not use any

Confidential Information for my own benefit or the benefit of any other person or company even after I cease acting in my capacity relative to the Franchisee and the Franchised Business, unless I can demonstrate that the information has become generally known or easily accessible other than by my breach of this Agreement unless the Company otherwise grants me permission in writing.

I agree to protect all user IDs, passwords, or other login and user authentication credentials, issued by the Franchisee and/or the Company, as Confidential Information. I agree not to share these credentials with anyone who does not have a business need to know and use this information. I also agree to immediately report to the Franchisee and the Company if I discover or suspect that login credentials may have been compromised or accessed by unauthorized persons.

6. Except as otherwise approved in writing by the Company, I will not (A) at any time, do or perform, any act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System, and (B) while in my capacity relative to the Franchisee and the Franchised Business and for three years after my relationship with the Franchisee and the Franchised Business and the Company ceases or terminates, regardless of the cause, either directly or indirectly, for myself or through, on behalf of, or in conjunction with any other person, persons, partnership, association, corporation, limited liability company or other entity, do any of the following:

(i) divert or attempt to divert any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise;

(ii) own, maintain, engage in, be employed by, lease real estate to, consult with or assist in any way, finance, have an interest in or perform any services in any capacity for any child daycare or preschool learning center or business (other than the Franchised Business or another licensed THE GODDARD SCHOOL® business that I operate); provided that after my relationship with the Franchisee and the Franchised Business and the Company ceases or terminates, the covenant in this paragraph (iii) will restrict me from being involved with a competing business only if the competing business is at the premises of the Franchised Business or within a radius of 10 miles of the Franchised Business or any existing or proposed THE GODDARD SCHOOL® business (other than a business under an effective Franchise Agreement with the Company that I operate). This restriction does not apply to my ownership of less than a 5% beneficial interest in the outstanding securities of any publicly-held corporation.

7. I agree that each of the covenants above will be construed as independent of the others and of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held to be unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant included within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

8. I understand and acknowledge that the Company will have the right to reduce the scope of any covenant set forth in this Agreement, or any portion of any covenant, without my consent, effective immediately upon receipt by me of written notice; and I agree to comply with any covenant as so modified.

9. I understand and acknowledge that the Company may delegate the performance of any or all of its obligations under this Agreement, and the right to exercise any of the Company's rights under this Agreement, to an affiliate, manager, agent, independent contractor, or other third party designee. However, the Company will remain responsible for ensuring that such obligations are performed in accordance with the terms of this Agreement.

10. The Franchisee is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Company. I am aware that my violation of this Agreement will cause the Franchise and the Company irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for

the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and/or the Company all the costs the Franchisee and/or the Company incur, including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I may have against the Franchisee or the Company will be a separate matter and will not entitle me to violate this Agreement and will not justify any violation of this Agreement.

11. This Agreement takes effect when accepted and executed by the Company in Pennsylvania. This Agreement shall be construed under the laws of the Commonwealth of Pennsylvania and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the Commonwealth of Pennsylvania, which laws shall prevail in the event of any conflict of law. I agree that I have and will continue to develop a substantial relationship with the Company in the Commonwealth of Pennsylvania, where the Company's decision-making authority is vested and franchise operations are conducted and supervised. Except for the Company's right to obtain injunctive relief in any appropriate forum, any action arising out of or relating to this Agreement shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in the Commonwealth of Pennsylvania for the district or county in which Company's headquarters are located. I irrevocably submit to the jurisdiction of these courts, waive any objection I may have to either the jurisdiction or venue of these courts and agree not to argue that these courts are inconvenient forums.

12. This Agreement may only be changed in a writing signed by both us and the Company.

Signature: ______________________________
Printed Name:____________________________
Address: ______________________________
____
Email: ______________________________
Date: ______________________________

Signature: ______________________________
Printed Name:____________________________
Address: ______________________________
____
Email: ______________________________
Date: ______________________________

Signature: ______________________________
Printed Name:____________________________
Address: ______________________________
____
Email: ______________________________
Date: ______________________________

Signature: ______________________________
Printed Name:____________________________
Address: ______________________________
____
Email: ______________________________
Date: ______________________________

ACKNOWLEDGED BY:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107
notices@goddardsystems.com

By:______________________________

Title: ___________________________

Date: ___________________________

EXHIBIT D-1

TERMINATION OF PRELIMINARY AGREEMENT AND MUTUAL RELEASE

TERMINATION OF PRELIMINARY AGREEMENT AND MUTUAL RELEASE

This Termination of Preliminary Agreement and Mutual Release (the "Agreement") is entered into as of _________________________, ________ by **Goddard Franchisor LLC**, a Delaware limited liability company with its principal office at 1016 West Ninth Avenue, King of Prussia, Pennsylvania ("GFL") and **Applicant 1, Applicant 2**, spouses, residents and citizens of the state of ________________ and **Applicant 3, Applicant 4**, spouses, residents and citizens of the state of ________________ (sometimes collectively referred to in this Agreement as "Applicants").

BACKGROUND

A. Applicants and GFL entered into a Preliminary Agreement for a franchise to operate a Goddard School dated _____________ (the "Preliminary Agreement").

B. Applicants have requested that the Preliminary Agreement be terminated, and GFL has agreed to this request, on the terms and conditions set forth in this Agreement.

AGREEMENT

In consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Subject to the terms of this Agreement, the Preliminary Agreement and all rights and obligations between Applicants and GFL arising from or related to the Preliminary Agreement are terminated effective as of the date of this Agreement, except that any rights or obligations which expressly or by implication are intended to survive the termination of the Preliminary Agreement, including but not limited to Applicants' covenants of noncompetition and indemnification and obligations to maintain the confidentiality of GFL's trade secrets or confidential information, knowledge, know-how and other intellectual property rights and provisions governing enforcement.

2. On delivery to GFL of this Agreement fully executed by Applicants and the materials identified in Section 5 below, GFL will execute this Agreement and the termination will be effective. GFL will not refund any fees or deposit(s) to Applicants.

3. Subject to the terms of this Agreement, Applicant 1, Applicant 2, Applicant 3 and Applicant 4, on the one hand, and GFL on the other hand, for themselves and all persons, corporations, partnerships and any other entities or concerns claiming by, through or under any of them, completely and unconditionally release, acquit and forever discharge each other and their respective present or former officers, employees, shareholders, directors, agents, attorneys, servants, representatives, parents, subsidiaries, affiliates, heirs, successors and assigns, in both their individual and corporate capacities, from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which either or any of them, by themselves, on behalf of, or in conjunction with any other person, persons, partnership, corporation or other entity, had, have or claim to have against the other, and without limiting the generality of the foregoing, any and all claims, demands actions or causes of action arising out of, pursuant to or related to the Preliminary Agreement, any efforts by Applicants to purchase an existing Goddard School, and any and all correspondence, representations, certifications, warranties, promises, or acts made in reliance upon any one or more of the same, whether oral or written, or based in whole or in part on events occurring before the date of this Agreement. Specifically excepted from the parties' respective released claims are the other parties' obligations under this Agreement and any rights or obligations which expressly or by implication are intended to survive the termination of the Preliminary Agreement, including but not limited to Applicants' covenants of noncompetition and indemnification and obligations to maintain the confidentiality of GFL's trade secrets or confidential information, knowledge, know-how and other intellectual property rights and provisions governing enforcement.

4. This Agreement shall be binding upon and inure to the benefit of each party and their respective heirs, successors and assigns. Nothing contained in this Agreement shall release any party from their obligations under this Agreement.

5. Applicants acknowledge that GFL's business information is confidential and none of the Applicants shall communicate, divulge or use for the benefit of Applicants or any other person or entity any of GFL's trade secrets or other confidential or proprietary information or compilations, any material in which GFL claims copyright protection, knowledge or know-how concerning the construction or operation of a School, including but not limited to site or building plans, drawings and specifications (the "Confidential Information") that was disclosed to Applicants in connection with the Goddard School franchise opportunity and/or Applicants' entering into and performance their obligations pursuant to the Preliminary Agreement, including during site development and attendance at training programs. Before execution of this Agreement, Applicants shall return to GFL or its designee all copies of documents (in any form) containing Confidential Information that have been provided to Applicants and shall delete (or cause the deletion of) all electronic files containing Confidential Information. Applicants' signatures on this Agreement shall constitute certification that all documents and electronic files have been returned to GFL or its designee or deleted, as applicable.

6. This Agreement is entered into in the Commonwealth of Pennsylvania and shall be construed and interpreted in accordance with its laws, which laws shall control in the event of any conflict of law.

7. Applicants agree that they have had a substantial relationship with GFL at its offices in Pennsylvania and that any action by or against any of them arising out of or relating to this Agreement shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in, as applicable, the Montgomery County Court of Common Pleas in Montgomery County, Pennsylvania or the United States District Court for the Eastern District of Pennsylvania. Applicants agree that these courts represent the most convenient forum for the parties to litigate any disputes between them. Accordingly, Applicants irrevocably submit to the jurisdiction of such courts and irrevocably waive any objection they may have to either the jurisdiction or venue of such courts. Applicants further irrevocably agree not to argue that Pennsylvania is an inconvenient forum or to request transfer of any such action to any other court.

8. This Agreement constitutes the entire agreement between Applicants and GFL concerning its subject matter, and supersedes all prior agreements, no other representations having induced Applicants to execute this Agreement. No representations, inducements, promises or agreements, oral or otherwise, not embodied in this Agreement (unless of subsequent date), were made by any party and none shall be of any force or effect with reference to this Agreement or otherwise.

9. Each party declares that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party after having a reasonable opportunity to retain and confer with counsel. This Agreement is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not contained in this Agreement.

10. In the event GFL or its designee retains the services of legal counsel to enforce the terms of this Agreement, GFL or its designee, as applicable, shall be entitled to recover all costs and expenses, including attorney's, expert and investigative fees incurred in enforcing the terms of this Agreement.

11. Any notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by registered or certified mail, return receipt requested, or sent by overnight courier or email to the respective parties at the address listed on the signature page of this Agreement unless a different address has been designated in writing by the other party. Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing. Notices by personal delivery, overnight courier or email shall be effective upon the earlier of the date of delivery of such notice, or the date after the same was sent. Applicants shall provide GFL with their current home address and email addresses at all times.

12. The obligations of each Applicant under this Agreement shall be joint and several.

I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT AGREE TO BE BOUND BY ITS TERMS.

[Signature Page Follows]

Intending to be legally bound, the parties execute this Agreement as of the date first written above.

APPLICANTS

____
Applicant 1
Address
Address

Email: ______________________________

____
Applicant 2
Address
Address

Email: ______________________________

____
Applicant 3
Address
Address

Email: ______________________________

____
Applicant 4
Address
Address

Email: ______________________________

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

Email: notices@goddardsystems.com

By: _________________________________
Name:
Title:

EXHIBIT D-2

TERMINATION OF FRANCHISE AGREEMENT AND MUTUAL RELEASE

TERMINATION OF FRANCHISE AGREEMENT AND MUTUAL RELEASE

This Termination of Franchise Agreement and Mutual Release (this "Agreement") is effective on ____________________, 20__ among (i) **Goddard Franchisor LLC**, a Delaware limited liability company ("GFL"); (ii) **FRANCHISEE 1 and 2**, spouses, residents and citizens of ________________, (the "Last Names"); and (iii) **ENTITY**, a ____________ limited liability company/corporation owned and controlled by the Last Names ("Entity"). The Last Names and Entity are sometimes collectively referred to as "Franchisees".

BACKGROUND

A. The Last Names and GFL entered into a Franchise Agreement dated ___________________ (the "Franchise Agreement") under which the Last Names were granted the right and undertook the obligation to operate The Goddard School® business at [ADDRESS] (the "School").

B. On __________________, the Last Names, Entity and GFL entered into an Assignment and Assumption Agreement (the "Assignment Agreement") under which the Last Names assigned their rights under the Franchise Agreement to Entity but agreed to continue to be bound by all the terms and conditions of the Franchise Agreement and Entity assumed their obligations under the Franchise Agreement.

C. Franchisees have requested, and GFL has agreed, that the Franchise Agreement, and Assignment Agreement, and all rights and obligations between the parties related to the Franchise Agreement and Assignment Agreement be terminated to effect a sale of the School, to a third party ("Transferee") on the condition that the Transferee continue to operate the School as The Goddard School® business pursuant to a new franchise agreement between GFL and the Transferee (the "New Franchise Agreement").

AGREEMENT

With the foregoing background incorporated by reference, and in consideration of the mutual promises and covenants contained in this Agreement including the mutual releases, and for other valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Subject to the terms of this Agreement, all rights and obligations between Franchisees and GFL arising from or related to the Franchise Agreement and Assignment Agreement are terminated except those rights and obligations which expressly or by implication are intended to survive the termination of the Franchise Agreement. Franchisees shall comply with all of their post-termination obligations under the Franchise Agreement, including but not limited to the covenants of confidentiality, noncompetition, non-use of the System and the Proprietary Marks (as defined in the Franchise Agreement), indemnification, and provisions governing enforcement.

2. Before execution of this Agreement, Franchisees shall pay to GFL all fees or charges due under the Franchise Agreement and any other agreements between Franchisees and GFL. Franchisees further agree to immediately pay all amounts due and owing to third party suppliers, including the local telephone company, for all charges and fees incurred in connection with Franchisees' operation of the School.

3. Before execution of this Agreement, Franchisees shall deposit an additional $2,500 with GFL, which GFL shall hold for the purpose of paying any of the following obligations or expenses but only if they are not paid by Franchisees promptly on demand: (a) any amounts due under Section 2 of this Agreement; (b) any expenses (such as business listings advertising) incurred before the effective date of this Agreement that may come due afterwards. Any part of the $2,500 that is not spent on these obligations or expenses 90 days after the effective date shall be refunded, without interest, to Franchisees no later than 105 days after the effective date. (Any refund shall be paid to each of the Franchisees in equal shares unless GFL receives prior written instructions signed by all Franchisees.) If the obligations or expenses paid under this Paragraph exceed $2,500, Franchisee 1, Franchisee 2, and Entity shall be personally responsible, jointly and severally, to pay any excess amounts.

4. Franchisees shall immediately return to GFL or, at GFL's option, convey to its designee, GFL's Confidential Operating Manual and any and all merchandising, sales or other materials utilized in The

Goddard School business conducted at the School which (a) display any of GFL's trademarks or trade names; (b) were purchased or obtained from GFL; (c) which are generally utilized by GFL and/or its franchisees in The Goddard School business; or (d) which suggest any present or former affiliation with GFL. This requirement shall include, without limitation, the proprietary software packages, all point-of-sale materials, display boards, interior and exterior signs, brochures, equipment, marketing materials, stationery, forms and any other articles which display the Proprietary Marks associated with GFL. This section shall not apply to Franchisees' operation of any other School under an effective Franchise Agreement with GFL.

5. Subject to the exceptions set forth in this Paragraph, Franchisee 1, Franchisee 2 and Entity, for themselves and all persons and entities claiming by, through or under them, release, acquit and forever discharge GFL and its present and former officers, employees, shareholders, directors, agents, attorneys, servants, representatives, parents, predecessors, subsidiaries, affiliates, heirs, successors and assigns, in both their individual and corporate capacities (the "GFL Releasees"), from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which Franchisee 1, Franchisee 2 and Entity, by themselves, on behalf of, or in conjunction with any other person or entity, have, had or claim to have against the GFL Releasees, including specifically, but not exclusively, and without limiting the generality of the foregoing, any and all claims, demands, actions or causes of action arising out of, pursuant to or related to this Agreement, the Franchise Agreement, the Assignment Agreement, the School, and/or the parties' franchise relationship, and any and all correspondence, representations, certifications, warranties, promises or acts made in reliance upon any one or more of the same, whether oral or written, or based in whole or in part on events occurring prior to the date of this Agreement. Specifically excepted from Franchisee 1's, Franchisee 2's and Entity's release of the GFL Releasees are (a) GFL's obligations under this Agreement; and (b) any liability that GFL may have under any applicable franchise law of another state to the extent that this release is held by a court of competent jurisdiction to be prohibited under the law of that state.

6. Subject to the exceptions set forth in this Paragraph, GFL, for itself and all persons and entities claiming by, through or under it, hereby releases, acquits and forever discharges Franchisee 1, Franchisee 2 and Entity from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which GFL has, had or claims to have against Franchisee 1, Franchisee 2 and Entity, including specifically, but not exclusively, and without limiting the generality of the foregoing, any and all claims, demands, actions or causes of action arising out of, pursuant to, or related to the Franchise Agreement, the Assignment Agreement, the School, and/or the parties' franchise relationship, and any and all correspondence, representations, certifications, warranties, promises or acts made in reliance upon any one or more of the same, whether oral or written, or based in whole or in part on events occurring prior to the date of this Agreement. Specifically excepted from GFL's release of Franchisee 1, Franchisee 2 and Entity are (a) Franchisee 1's, Franchisee 2's and Entity's obligations under this Agreement; (b) any and all claims, causes of action, obligations arising from, under or out of the provisions of the Franchise Agreement that remain in effect pursuant to the terms of this Agreement as confirmed in Section 1 of this Agreement; and (c) any claims asserted against the GFL Releasees by any third party which claims relate to Franchisee 1's, Franchisee 2's and Entity's ownership, occupation or operation of the School and/or to the Franchise Agreement or the Assignment Agreement, and Franchisee 1, Franchisee 2 and Entity specifically agree to indemnify and hold the GFL Releasees harmless from and against any and all costs and expenses, including, without limitation, reasonable costs of investigation, travel, attorney's fees and expert's fees. This indemnification obligation shall be a continuing one and shall not be affected by the termination of the Franchise Agreement.

7. Franchisee 1, Franchisee 2 and Entity agree that for three (3) years from the date of this Agreement, none of them shall, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, persons, partnership, association, corporation, limited liability company or other entity: (a) divert or attempt to divert any business or customer of the School to any competitor, by direct or indirect inducement or otherwise; or (b) own, maintain, engage in, be employed by, lease real estate to, consult with or assist in any way, finance, or have any interest in or perform any services in any capacity for any child daycare or preschool learning center or business (other than a Goddard School under an effective Franchise Agreement with GFL for which Franchisee 1, Franchisee 2 or Entity is a franchisee) at or within a

radius of ten (10) miles of (i) ADDRESS; or (ii) any existing or proposed The Goddard School business. Franchisee 1, Franchisee 2 and Entity further agree that they shall not, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, persons, partnership, association, corporation, limited liability company or other entity, do or perform, any act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System. Franchisee 1, Franchisee 2 and Entity acknowledge that their obligations under the Franchise Agreement and this Agreement are independent of any non-competition covenants they may make in an asset purchase agreement or other agreement with the purchaser of the School. Franchisees' participation in post-sale introductions and other transition-related communication, as requested by GFL or by the new franchisee, does not violate the Franchisees' obligation under this Paragraph 7. GFL may enforce the covenants contained in this Agreement and in the Franchise Agreement to their full extent, even if Franchisee 1, Franchisee 2 and/or Entity grant inconsistent or less strict covenants to a third party. To the extent that this paragraph is deemed unenforceable by a court of competent jurisdiction because of its scope, geographic area or length of time, but may be made enforceable by revisions in any of the foregoing, the parties agree that this provision shall be enforced to the fullest extent permissible. Franchisees further agree not to identify themselves or any other entity in which they are involved as present or former GFL franchisees or as in any way presently or formerly affiliated with GFL, except that Franchisees may identify themselves as present GFL franchisees with respect to any other The Goddard School business they operate under an effective franchise agreement with GFL.

8. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns. Nothing contained in this Agreement shall release the parties from their obligations under this Agreement. For the avoidance of doubt, Transferee shall not be considered an heir, successor or assign of Franchisee for any purposes of this Agreement. This Agreement shall not inure to the benefit of Transferee nor shall Transferee be deemed a third party beneficiary of this Agreement or otherwise have any rights under this Agreement for any reason. Nothing in the above release granted to Franchisees by GFL nor any other provision of this Agreement shall be deemed to relieve Transferee of any of its obligations under the New Franchise Agreement, including but not limited to strict compliance with GFL's methods, standards and specifications, nor deemed to constitute a waiver of any provision of the New Franchise Agreement or any of GFL's methods, standards and specifications.

9. This Agreement is entered into in the Commonwealth of Pennsylvania and shall be construed and interpreted in accordance with its laws, which laws shall control in the event of any conflict of law, except that the foregoing shall not constitute a waiver of Franchisee's rights under any applicable franchise law of another state.

10. Franchisees acknowledge that they have had a substantial and continuing relationship with GFL at its offices in Pennsylvania where its decision-making authority is vested and franchise operations are conducted and supervised. Except for GFL's right to obtain injunctive relief in any appropriate forum, any action arising out of or relating to this Agreement shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in the Commonwealth of Pennsylvania for the district or county in which GFL's headquarters are then located. Franchisee 1, Franchisee 2 and Entity irrevocably submit to the jurisdiction of these courts, waive any objection they may have to either the jurisdiction or venue of these courts and agree not to argue that any of these courts is an inconvenient forum. If GFL moves its corporate headquarters, Franchisees acknowledge and agree that any references to Pennsylvania in this paragraph will be deemed to be references to the new state. Notwithstanding the above, the parties do not intend that Franchisees waive their rights under any applicable franchise law of another state, and if required by applicable law, the above designation of jurisdiction or venue is void with respect to any action which is otherwise enforceable in the state in which the School is located or in Franchisees' state of residence.

11. Franchisees understand and acknowledge that GFL may delegate the performance of any or all of its obligations under this Agreement, and the right to exercise any of GFL's rights under this Agreement, to an affiliate, manager, agent, independent contractor, or other third party designee. However, GFL will remain responsible for ensuring that such obligations are performed in accordance with the terms of this Agreement.

12. This Agreement constitutes the entire agreement between GFL and Franchisee concerning the subject matter, and supersedes all prior agreements, no other representations having induced Franchisees to execute this Agreement, except that all of the provisions of the Franchise Agreement which expressly or by implication are intended to survive the termination or expiration of the Franchise Agreement shall survive the termination of the Franchise Agreement and remain in effect. No representations, inducements, promises or agreements, oral or otherwise, not embodied in this Agreement (unless of subsequent date), were made by any party and none shall be of any force or effect with reference to this Agreement or otherwise. However, such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under any applicable franchise law of another state if prohibited under the law of that state.

13. Any notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by registered or certified mail, return receipt requested, or sent by overnight courier or email to the respective parties at the address listed on the signature page of this Agreement unless a different address has been designated in writing by the other party. Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing. Notices by personal delivery, overnight courier or email shall be effective upon the earlier of the date of delivery of such notice, or the date after the same was sent. You shall provide us with your current home address and email address at all times.

14. Each party declares that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party after having a reasonable opportunity to retain and confer with counsel. This Agreement is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not contained in this Agreement.

15. In the event GFL retains the services of legal counsel to enforce the terms of this Agreement, GFL shall be entitled to recover all costs and expenses, including travel, attorney's, expert and investigative fees incurred in enforcing the terms of this Agreement.

16. The obligations of Franchisee 1, Franchisee 2 and Entity under this Agreement shall be joint and several.

17. Any person executing this Agreement on behalf of a corporate entity represents and warrants that he/she is duly authorized to bind the corporate entity.

18. **FRANCHISEE 1, FRANCHISEE 2, AND ENTITY ACKNOWLEDGE AND AGREE THAT THIS AGREEMENT IS NOT EFFECTIVE UNTIL SIGNED BY GFL, AND THAT GFL WILL NOT SIGN THIS DOCUMENT UNTIL IT HAS RECEIVED ALL REQUIRED ITEMS, INCLUDING ANY PAYMENTS DUE.**

I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT AGREE TO BE BOUND BY ITS TERMS.

[Signature Page Follows]

Intending to be legally bound, the parties execute this Agreement as of the date first written above.

FRANCHISEE ENTITY:
Address:
Email:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107
notices@goddardsystems.com

By:_________________________________

Title:_____________________________

By:_________________________________

Title:_____________________________

____
Name: [Franchisee 1]
Address:
Email:

____
Name: [Franchisee 2]
Address:
Email:

EXHIBIT E

TABLE OF CONTENTS – MANUALS

THE GODDARD SCHOOL

OPERATING MANUALS

As of the date of this disclosure document, the following is the breakdown of our training manuals and the table of contents of each. These manuals are currently housed on our internal resource site called Goddard Connect.

FRANCHISEE MANUAL

TOTAL NUMBER OF PAGES: 438 pages

TABLE OF CONTENTS

FRANCHISEE MANUAL

*** ***

DIRECTOR MANUAL

The Director Manual contains the same information as the Franchisee Manual without the financial information.

EXHIBIT F

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. Where we are registered to sell franchises, we have appointed the state agency, or as noted below, a state officer, as our agent to receive service of process in the state. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

CALIFORNIA Department of Financial Protection and Innovation: (866) 275-2677 (toll free) *Los Angeles* Suite 750 320 West 4th Street Los Angeles, California 90013 (213) 576-7505 *Sacramento* 2101 Arena Blvd. Sacramento, California 95834 (916) 445-7205 *San Diego* 1455 Frazee Road, Suite 315 San Diego, California 92108 (619) 525-4233 *San Francisco* One Sansome Street, Ste. 600 San Francisco, California 94104 (415) 972-8559	**MINNESOTA** (for service of process) Commissioner of Commerce Minnesota Department of Commerce Securities Unit 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500 (state agency) Minnesota Department of Commerce Securities Unit 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500
	NEW YORK (for service of process) Secretary of State of New York 99 Washington Ave. Albany, New York 12231 (518) 474-4750 (state agency) New York State Department of Law Investor Protection Bureau 28 Liberty Street New York, New York 10005 (212) 416-8236 Phone (212) 416-6042 Fax
	NORTH DAKOTA North Dakota Securities Department 600 East Boulevard State Capitol, Fourteenth Floor, Dept. 414 Bismarck, North Dakota 58505 (701) 328-2910

HAWAII (for service of process) Commissioner of Securities Business Registration Division 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 (for other matters) Business Registration Division Department of Commerce and Consumer Affairs P. O. Box 40 Honolulu, Hawaii 96810 (808) 586-2722	**OREGON** Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387 **RHODE ISLAND** Division of Securities Bldg. 69, First Floor, John O. Pastore Center 1511 Pontiac Avenue Cranston, RI 02920 (401) 462-9527
ILLINOIS Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**SOUTH DAKOTA** Department of Labor and Regulation Division of Insurance Securities Regulation 124 S Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
INDIANA (agent for service of process) Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531 (state administrator) Indiana Secretary of State Securities Division, Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681	**VIRGINIA** (for service of process) Clerk, State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733 (for other matters) State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MARYLAND (for service of process) Maryland Securities Commissioner at the Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360 (state agency) Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360	**WASHINGTON** (for service of process) Director Department of Financial Institutions Securities Division 150 Israel Road, S.W. Tumwater, Washington 98501 (362) 902-8760 (for other matters) Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (362) 902-8760

MICHIGAN	WISCONSIN
(for service of process) Michigan Department of Commerce, Corporations and Securities Bureau 6546 Mercantile Way Lansing, Michigan 48909 (517) 335-7567 (state agency) Michigan Attorney General's Office Consumer Protection Division Attn.: Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT G

RECEIPT OF FRANCHISE-RELATED DOCUMENTS

RECEIPT OF FRANCHISE-RELATED DOCUMENTS

The undersigned does hereby acknowledge receipt of the following documents, in form for signature, relating to the franchise of Goddard Franchisor LLC:

[ ] (1) Preliminary Agreement
[ ] (2) Rider to the Preliminary Agreement for the State of ________________
[ ] (3) Franchise Agreement
[ ] (4) Development Agreement
[ ] (5) Rider to the Franchise Agreement for the State of __________________
[ ] (6) Purchase Orders:
- [ ] #1 Furniture and Equipment
- [ ] #2 Stationery, Forms, and Curricular Resources
- [ ] #3 Sign Package
- [ ] #4 Computer Hardware, Software, Firmware, Network Infrastructure (IT Security), Network Equipment / Wireless Access Point Devices, Telephone, Interactive Flat Panel and Digital Signage Package
- [ ] #5 Security System Package

[ ] (7) Amendment to Franchise Agreement (Modified)
[ ] (8) Amendment to Franchise Agreement (Transfer)
(9) Amendment to Franchise Agreement ___ (Annex) ___ (Satellite Location)
[ ] (10) Franchise Agreement (Renewal)
[ ] (11) Collateral Assignment of Lease and Consent and Agreement of Lessor
[ ] (12) Option to Lease Agreement and Right of First Refusal
[ ] (13) Assignment and Assumption Agreement
[ ] (14) Rider to the Assignment and Assumption Agreement for the State of ___________________
[ ] (15) Disclosure Acknowledgement Statement
[ ] (16) Rider to the Disclosure Acknowledgement Statement for the State of ___________________
[ ] (17) Automatic Debit Authorization Form
[ ] (18) Other(s) (specify):_____________________________

(Proposed franchisee must initial the box adjacent to the applicable document(s)).

I further acknowledge my understanding that it is my responsibility to review all of these documents so that I am fully familiar with the transaction contemplated thereby before I sign them.

DATED:________________________ ____
Applicant

DATED:________________________ ____
Applicant

DATED:________________________ ____
Applicant

DATED:________________________ ____
Applicant

DEPENDING ON THE CHANGES TO THE DOCUMENTS FROM THE STANDARD FORMS IN OUR FRANCHISE DISCLOSURE DOCUMENT, AND THE ORIGIN OF THE CHANGES, WE MAY HAVE TO PROVIDE YOU WITH ONE OR MORE OF THE FRANCHISE-RELATED DOCUMENTS NOTED ABOVE AT LEAST SEVEN CALENDAR DAYS BEFORE YOU SIGN THEM. PLEASE FOLLOW OUR INSTRUCTIONS ACCOMPANYING THE DOCUMENTS BEFORE YOU SIGN OR RETURN THEM.

EXHIBIT H

STATE SPECIFIC ADDENDA AND RIDERS

ADDITIONAL DISCLOSURES FOR THE
MULTISTATE FRANCHISE DISCLOSURE DOCUMENT OF
GODDARD FRANCHISOR LLC

The following are additional disclosures for the Multistate Franchise Disclosure Document of GODDARD FRANCHISOR LLC required by various state franchise laws. Each provision of these additional disclosures shall not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgment signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

CALIFORNIA

THE FOLLOWING APPLIES TO YOU IF YOU OPERATE A FRANCHISE IN CALIFORNIA:

1. The following is added as the last paragraph to the cover page of the disclosure document:

> **OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.**

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

> Neither we nor any person in Item 2 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, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

3. **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.**

4. The following paragraphs are added at the end of Item 17:

> California Law Regarding Termination, Transfer and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to the

franchisee concerning termination, transfer or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Termination Upon Bankruptcy. 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.).

Post-Termination Noncompetition Covenants. 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.

Liquidated Damages for Termination Without Cause. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

Applicable Law. The franchise agreement requires application of the laws of the Commonwealth of Pennsylvania. This provision may not be enforceable under California law.

Section 31125 of the Franchise Investment Law (California Corporations Code 31000 through 31516) requires us to give you a disclosure document approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your franchise agreement.

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

Copies of any negotiated terms we disclose to you in this disclosure document or in an appendix to this disclosure document are available upon written request directed to: Goddard Franchisor LLC, Attention: Corporate Counsel, 1016 West Ninth Avenue, King of Prussia, PA 19406-3107, telephone number 610-265-8510.

5. No statement, questionnaire, or acknowledgment signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

HAWAII

1. The “Risk Factors” on the cover page of the disclosure document are amended to add the following:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST 7 DAYS BEFORE SIGNING BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS BEFORE THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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

2. The following is added to end of the Summary section of Item 17(t):

"Nothing in this Agreement or any exhibits or amendments are intended to disclaim any representations we made in the FDD."

3. The following list reflects the status of our franchise registrations in states which have franchise registration and/or disclosure laws:

a. This proposed registration is effective in the following states: California (exemption), Hawaii, Illinois (exemption), Indiana (exemption), Maryland (exemption), Michigan, Minnesota, New York (exemption), North Dakota (exemption), Rhode Island (exemption), South Dakota, Virginia (exemption), Washington (exemption) and Wisconsin.

b. States which have refused, by order or otherwise, to register these franchises: None

c. States which have revoked or suspended the right to offer the franchises: None.

d. States in which the proposed registration of these franchises has been withdrawn: None

ILLINOIS

1. The "Summary" section of Item 17(v), entitled **Choice of forum**, is deleted and replaced with the following:

Litigation in the State of Illinois.

2. The "Summary" section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

Illinois law applies.

INDIANA

1. Item 17 is supplemented by adding the following language to the end of the "Summary" section of Item 17(c), entitled **Requirements for franchisee to renew or extend**:

Indiana State Code 23-2-2.7-1(5) deems it unlawful for you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve Goddard Franchisor LLC from liability imposed by Indiana State Code 23-2-2.7.

2. Item 17 is supplemented by adding the following language to the end of the "Summary" section of Item 17(m), entitled **Conditions for franchisor approval of transfer**:

Indiana State Code 23-2-2.7-1(5) deems it unlawful for you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve Goddard Franchisor LLC from liability imposed by Indiana State Code 23-2-2.7.

3. Item 17 is supplemented by adding the following language to the end of the "Summary" section of Item 17(r), entitled **Non-Competition covenants after the franchise is terminated or expires**:

The post-termination covenant not to compete complies with Indiana State Code 23-2-2.7-1(9) which prohibits Goddard Franchisor LLC from prohibiting you from competing for a period longer than 3 years or in an area greater than the exclusive area contained in your agreement.

4. Item 17 is supplemented by adding the following language to the end of the "Summary" section of Item 17(v), entitled **Choice of forum**:

Choice of forum for any litigation permitted under the Agreement in any jurisdiction other than Indiana may be unenforceable as a limitation on litigation under IC 23-2-2.7-1(10). Goddard Franchisor LLC may not require that you agree to participate in any form of alternative dispute resolution other than arbitration before an independent arbitrator.

5. Item 17 is supplemented by adding the following language to the end of the "Summary" section of Item 17(w), entitled **Choice of law**:

The choice of Pennsylvania law shall be subject to the superseding provisions in Indiana's Franchise Acts, IC 23-2-2.5 and 2.7.

MARYLAND

1. The following is added to the end of the Item 5:

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. In addition, all development fees and initial payments by developers shall be deferred until the first franchise under the development agreement opens.

2. The following language is added to the "Summary" section of Item 17(c), entitled **Requirements for you to renew or extend**, and Item 17(m), entitled **Conditions for our approval of transfer by you**:

Any release required as a condition of renewal and/or assignment/transfer shall not apply to any liability we may have under the Maryland Franchise Registration and Disclosure Law.

3. The following language is added to the end of the "Summary" section of Item 17(f), entitled **Termination by us with cause**:

> Termination upon bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.), however, we and you shall enforce the provision to the maximum extent the law allows.

4. The following language is added to the end of the "Summary" section of Item 17(v), entitled **Choice of forum**, and Item 17(w), entitled **Choice of law**:

> , except that these provisions will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law, and you may bring suit in Maryland for any claims arising under the Maryland Franchise Registration and Disclosure Law.

5. Item 19 is supplemented by adding the following after the first sentence of the third paragraph of Item 19 (reading "We require you to sign our standard Disclosure Acknowledgement Statement, attached as **Exhibit C-13**."):

> The representations in the Disclosure Acknowledgement Statement 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.

MINNESOTA

1. The following language is added in Item 13 at the end of the second to last paragraph:

> As a condition to our franchise registration in the State of Minnesota, we have agreed and are obligated to protect your rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols and shall indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

2. The following language is added to the "Summary" section of Item 17(c), entitled **Requirements for you to renew or extend**, and Item 17(m), entitled **Conditions for our approval of transfer by you**:

> Any release required as a condition of renewal or transfer/assignment shall not apply to the extent prohibited by the Minnesota Franchises Law.

3. The following language is added to the end of the Item 17 charts:

> Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sec. 80C.14 Subds. 3, 4 and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the applicable agreement.
>
> Minn. Stat. §80C.21 and Minn. Rule Part 2860.4400J, prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing contained in the Disclosure Document, Preliminary Agreement or Franchise Agreement can abrogate or reduce any of your rights as provided in Minnesota Statutes, 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

NEW YORK

In recognition of the requirements of the New York Franchise Law, Article 33 of the General Business Law of the State of New York, the Franchise Disclosure Document for Goddard Franchisor LLC for use in the State of New York is amended to include the following:

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 F OR YOUR PUBLIC LIBRARY FOR SOURCES 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 THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, NEW YORK, NEW YORK 10005.

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

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

Except as provided above, with regard to the franchisor, its predecessor, a parent or an affiliate who induces franchise sales by promising to back the franchisor financially or otherwise guarantees the franchisor's performance, 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. Bankruptcy. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the Franchise Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. Trademarks. Item 13 is supplemented by adding the following at the end of the second paragraph following the table of Proprietary Marks, following the sentence: “Furthermore, we do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state.”

We note, for prospective franchisees in New York City, that Goddard Riverside Community Center, a non-profit organization that offers Head Start programs and operates several day care centers, has been operating in New York City since 1959. As an accommodation to the Goddard Riverside Community Center, our franchisee in New York City located on the Upper West Side, following a request after the franchisee opened for business in 2011, has voluntarily been using a disclaimer that states that the School and Goddard Franchisor LLC is not affiliated with Goddard Riverside Community Center or its educational programs and provides the website address of the Goddard Riverside Community Center.

5. Initial License Fee. The following is added to the end of Item 5:

The initial license fee may, in part, be profit to us, and constitutes part of our general operating funds and will be used as such in our business judgment.

6. Renewal, Termination, Transfer and Dispute Resolution. 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), titled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

7. Renewal, Termination, Transfer and Dispute Resolution. The following is added to the end of the “Summary” sections of Item 17(d), titled “**Termination by franchisee**”:

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

8. Renewal, Termination, Transfer and Dispute Resolution. The following is added to the end of the “Summary” sections of Item 17(j), titled “**Assignment of contract by franchisor**”:

However, no assignment will be made except to an assignee who in the good faith judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

9. Renewal, Termination, Transfer and Dispute Resolution. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**," and Item 17(w), titled "**Choice of law**":

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

10. Each provision of this Addendum to the Franchise Disclosure Document is effective only to the extent, with respect to such provisions, that the jurisdictional requirements of the New York Franchise Law are met independently without reference to this Addendum to the Franchise Disclosure Document.

NORTH DAKOTA

1. The "Summary" sections in Item 17(c), entitled **Requirements for you to renew or extend**, and Item 17(m), entitled **Conditions for our approval of transfer by you**, are amended to add the following language:

Any release required as a condition of renewal or transfer shall not apply to the extent prohibited by the North Dakota Franchise Investment Law, as amended.

2. The "Summary" section in Item 17(i), entitled **Franchisee's obligations on termination/ non-renewal**, is amended by the addition of the following language:

The requirement for the franchisee to consent to termination or liquidated damages has been determined by North Dakota to be unfair, unjust, and inequitable within the intent of Section 51- 19-09 of the North Dakota Franchise Investment Law. These provisions do not apply to franchisees in North Dakota.

3. The "Summary" section in Item 17(r), entitled **Non-competition covenants after the franchise is terminated or expires**, is amended by the addition of the following language:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you shall enforce them to the fullest extent the law allows.

4. The "Summary" section in Item 17(v), entitled **Choice of forum**, is deleted and the following language is substituted in its place:

Litigation in the Commonwealth of Pennsylvania, however, to the extent required by the North Dakota Franchise Investment Law, as amended, litigation must be in North Dakota.

5. The "Summary" section in Item 17(w), entitled **Choice of law**, is deleted and the following language is substituted in its place:

North Dakota law applies.

6. Item 17 is supplemented by adding the following language at the end:

The North Dakota Securities Commissioner has held certain provisions contained in franchise agreements to be unfair, unjust or inequitable to North Dakota franchisees within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, including the following:

Waiver of Trial by Jury: Requiring North Dakota franchises to consent to the waiver of a trial by jury.

Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damage.

We are not waiving our right to challenge the enforceability of North Dakota law or the position of the North Dakota Securities Commissioner. We and you will enforce the provisions of the Franchise Agreement to the full extent permitted by law.

RHODE ISLAND

1. The "Summary" section in Item 17(v), entitled **Choice of forum**, is amended by the addition of the following language:

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

2. The "Summary" section in Item 17(w), entitled **Choice of law**, is amended by the addition of the following language:

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

SOUTH DAKOTA

The "Summary" section in Item 17(q), entitled **Non-competition covenants during term of the franchise** and Item 17(r) entitled **Non-competition covenants after the franchise is terminated or expires**, are amended by the addition of the following language:

Covenants not to compete upon termination or expiration of a franchise are generally unenforceable in South Dakota, except in certain instances as provided by law.

VIRGINIA

Item 17 is supplemented by adding the following at the end:

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.

WASHINGTON

Item 17 is supplemented by adding the following language at the end:

The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with us 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 us including the areas of termination and renewal of your franchise.

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

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

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

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

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

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

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

THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
PRELIMINARY AGREEMENT, FRANCHISE AGREEMENT
(including FRANCHISE AGREEMENT (RENEWAL), DEVELOPMENT AGREEMENT,
ASSIGNMENT AND ASSUMPTION AGREEMENT (CORPORATION)
AND DISCLOSURE ACKNOWLEDGEMENT STATEMENT

**RIDER (FOR THE STATE OF ILLINOIS)
TO THE GODDARD FRANCHISOR LLC
PRELIMINARY AGREEMENT
DATED _____________**

1. **Entire Agreement**. Section 9 is hereby deleted in its entirety and the following shall be substituted in its place:

This Preliminary Agreement, the documents referred to herein, and the Attachments hereto, if any, constitute the entire, full and complete agreement between you and us concerning the subject matter hereof, and supersede all prior agreements, no other representations (except for those made in the Franchise Disclosure Document that you received from us) having induced you to sign this Preliminary Agreement. No representations, inducements, promises or agreements, oral or otherwise, not embodied herein or attached hereto (unless of subsequent date) were made by any party, and none shall be of any force or effect with reference to this Preliminary Agreement or otherwise. No amendment, change or variance from this Preliminary Agreement shall be binding on either party unless mutually agreed to by the parties and signed by their authorized officers or agents in writing.

2. **Enforcement**. Section 10A is hereby deleted in its entirety and the following shall be substituted in its place:

A. This Preliminary Agreement takes effect upon its acceptance and signing by us in Pennsylvania, except for any claims arising under the Illinois Franchise Disclosure Act of 1987. This Preliminary Agreement shall be interpreted and construed under the laws of the State of Illinois, except that any Illinois law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee shall not apply unless its jurisdictional requirements are met independently without reference to this Section.

3. **Enforcement**. Section 10B is hereby deleted in its entirety.

4. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Illinois Franchise Disclosure Act is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

APPLICANT:	**GODDARD FRANCHISOR LLC** **1016 West Ninth Avenue** **King of Prussia, PA 19406-3107**
______________________________ Name: Address:	
______________________________ Name: Address:	By:______________________________ Title:___________________________
______________________________ Name: Address:	
______________________________ Name: Address:	

RIDER (FOR THE STATE OF INDIANA)
TO THE GODDARD FRANCHISOR LLC
PRELIMINARY AGREEMENT
DATED ______________

1. **Termination of Preliminary Agreement/Refund of Deposit**. Section 5 of the Preliminary Agreement is hereby amended by the addition of the following language to the end of the second sentence beginning "If you give us notice of termination" of Section 5B:

> provided that you cannot be required to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve us from liability under Indiana Code 23-2-2.7.

2. **Duties of Franchisee**. Section 2 of the Preliminary Agreement is hereby amended by the addition of the following new subsection 2E to the original language that appears therein:

> Notwithstanding anything to the contrary in this Preliminary Agreement, we shall not require that you purchase any goods, supplies, inventories, or services exclusively from us or sources we designate where such goods, supplies, inventories, or services of comparable quality are available from sources other than those we designate, provided that our publication of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by us does not constitute designation of a source nor does our reasonable right to disapprove a supplier constitute a designation, and further provided that the above restriction on designation of sources does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by us.

3. **Enforcement**. The following language is hereby added to the end of Section 10 as a new Section 10J of the Preliminary Agreement:

> J. Notwithstanding anything to the contrary in this Section 10, if this Section 10 requires litigation to be conducted in a forum other than the State of Indiana, the requirement may be unenforceable as a limitation on litigation pursuant to IC 23-2-2.7-1(10). Notwithstanding anything to the contrary in this Section 10, the choice of law for any cause of action brought under this Preliminary Agreement will be subject to any superseding provisions contained in Indiana's Franchise Acts, IC 23-2-2.5 and 2.7. You will be permitted to bring actions arising under IC 23-2-2.5 at any time within three years from the date of violation pursuant to IC 23-2-2.7-7. The reservation of rights by us to injunctive relief and specific damages or limitations on the remedies available to either party without benefit of appropriate process is prohibited under IC 23-2-2.7-1(10). You cannot be required to recognize the adequacy or inadequacy of any remedy. The representations contained in Section 10E that you may not seek damages or any remedy from persons other than us are not intended to nor shall they act as a release, assignment, novation, waiver or estoppel of any liability under Indiana Code 23-2-2.7. The waiver or release of any rights with regard to this Agreement is prohibited under IC 23-2-2.7-1(5).

4. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Indiana Deceptive Franchise Practices Law is met independently of this Rider. We do not waive our right to challenge the enforceability of any state law that declares void or unenforceable any provision contained in this Agreement. We and you will enforce the provisions of the Preliminary Agreement to the extent permitted by law.

The parties to this Rider now sign and deliver this Rider.

APPLICANT:

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Name:
Address:

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Name:
Address:

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Name:
Address:

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Name:
Address:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:___________________________________

Title:________________________________

RIDER (FOR THE STATE OF MARYLAND)
TO THE GODDARD FRANCHISOR LLC
PRELIMINARY AGREEMENT

DATED ______________

1. **Deposit; Background Check Fee; and Payment**. The following language is hereby added to the end of Section 4 of the Preliminary Agreement:

> Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by you shall be deferred until we complete our pre-opening obligations under the Franchise Agreement.

2. **Enforcement**. The following language is hereby added to the end of Section 10A of the Preliminary Agreement:

> , except that you may bring suit in Maryland for any claims arising under the Maryland Franchise Registration and Disclosure Law.

3. **Enforcement**. The last two sentences in Section 10B are hereby deleted in their entirety.

Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Maryland Franchise Registration and Disclosure Law is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

APPLICANT:

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Name:
Address:

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Name:
Address:

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Name:
Address:

____
Name:
Address:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:___________________________________

Title:_______________________________

RIDER (FOR THE STATE OF MINNESOTA)
TO THE GODDARD FRANCHISOR LLC
PRELIMINARY AGREEMENT

DATED ______________________________

1. **Enforcement**. Section 10A and 10B are hereby deleted in their entirety and the following shall be substituted in their place:

A. This Preliminary Agreement takes effect when accepted and signed by us in Pennsylvania. This Preliminary Agreement shall be construed under the laws of the Commonwealth of Pennsylvania and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the Commonwealth of Pennsylvania, which law shall prevail if there is a conflict of law. Pursuant to Minn. Stat. §80C.21 and Minn. Rule Part 2860.4400J, this paragraph shall not in any way abrogate or reduce your rights as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota.

If we move our corporate headquarters, we shall have the option of determining that the substantive law of the state to which we move will replace all references to Pennsylvania law in this Preliminary Agreement or of continuing to have Pennsylvania law apply. If we choose to have the law of the new state apply, we will so notify all franchisees and franchise applicants within six months of our move, and the chosen law will apply to all franchisees and franchise applicants thereafter; except any franchise registration or disclosure law or any franchise relationship law of the new state will only apply where the jurisdictional requirements of the law are otherwise met. Pursuant to Minn. Stat. §80C.21 and Minn. Rule Part 2860.4400J, this paragraph shall not in any way abrogate or reduce your rights as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota.

B. You acknowledge that you have and will continue to develop a substantial and continuing relationship with us at our offices in the Commonwealth of Pennsylvania, where our decision-making authority is vested and franchise operations are conducted and supervised. Except for our right to obtain injunctive relief in any appropriate forum, any action arising out of or relating to this Preliminary Agreement shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in the Commonwealth of Pennsylvania for the district or county in which our headquarters are then located. You irrevocably submit to the jurisdiction of these courts, waive any objection you may have to either the jurisdiction or venue of these courts and agree not to argue that any of these courts is an inconvenient forum. If we move our corporate headquarters, you acknowledge that you will have a substantial and continuing relationship with us in the state to which we move and that any references to Pennsylvania in this paragraph will be deemed to be references to the new state. Pursuant to Minn. Stat. §80C.21 and Minn. Rule Part 2860.4400J, this paragraph shall not in any way abrogate or reduce Applicant's rights as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota.

2. **Enforcement**. Section 10D is hereby deleted in its entirety and the following shall be substituted in its place:

D. Nothing herein contained shall bar our right to seek injunctive relief against threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

3. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Minnesota Statute is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

APPLICANT:

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Name:
Address:

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Name:
Address:

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Name:
Address:

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Name:
Address:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:___________________________________

Title:______________________________

**RIDER (FOR THE STATE OF NEW YORK)
TO THE GODDARD FRANCHISOR LLC
PRELIMINARY AGREEMENT**

DATED ______________________________________

1. **Enforcement**. The following language is added to the end of Section 10A and 10B of the Preliminary Agreement:

> ; however, the governing choice of law shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

2. **Enforcement**. Section 10D is hereby deleted in its entirety and the following shall be substituted in its place:

> D. Nothing herein contained shall bar our right to seek injunctive relief against threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.
>
> The parties to this Rider now sign and deliver this Rider.

3. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the New York General Business Law is met independently of this Rider.

APPLICANT:

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Name:
Address:

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Name:
Address:

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Name:
Address:

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Name:
Address:

**GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107**

By:__________________________________

Title:______________________________

RIDER (FOR THE STATE OF NORTH DAKOTA)
TO THE GODDARD FRANCHISOR LLC
PRELIMINARY AGREEMENT

DATED _______________________________________

1. **Non-Competition**. Section 3.G is amended by adding the following paragraph to the end:

Section 3.G of the Preliminary Agreement discloses the existence of certain covenants restricting competition to which franchisees must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

2. **General Release, Consent to Termination or Liquidated Damages**. Section 5 is amended by adding the following paragraphs to the end:

The Preliminary Agreement requires the franchisee to sign a general release upon renewal of the franchise agreement. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

The Preliminary Agreement requires the franchisee to consent to termination or liquidated damages. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51- 19-09 of the North Dakota Franchise Investment Law.

3. **Enforcement**. Section 10.A is hereby deleted in its entirety and the following shall be substituted in its place:

A. This Preliminary Agreement takes effect upon its acceptance and signing by us in Pennsylvania. This Preliminary Agreement shall be interpreted and construed under the laws of the State of North Dakota and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the State of North Dakota, which laws shall prevail if there is a conflict of law.

4. **Enforcement**. Section 10.B of the Preliminary Agreement is hereby deleted in its entirety.

5. **Enforcement**. Section 10.F of the Preliminary Agreement is hereby deleted in its entirety, and the following shall be substituted in its place:

F. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

6. **Enforcement**. The following is added to Sections 10.F, 10.G and 10.I:

The parties acknowledge that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees:

Waiver of Trial by Jury as contained in Section 10.G: Requiring North Dakota franchises to consent to the waiver of a trial by jury.

Waiver of Exemplary & Punitive Damages as contained in Section 10.F: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damage.

Limitation of Claims as contained in Section 10.I: Requiring North Dakota franchisees to consent to a limitation of claims within one year.

We do not waive our right to challenge the enforceability of any state law or the position of the North Dakota Securities Commissioner that declares void or unenforceable any provision contained in this Agreement. We and you will enforce the provisions of this Agreement to the full extent permitted by law.

7. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the North Dakota Franchise Investment Law is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

APPLICANT:

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Name:
Address:

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Name:
Address:

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Name:
Address:

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Name:
Address:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:__________________________________

Title:______________________________

**RIDER (FOR THE STATE OF RHODE ISLAND)
TO THE GODDARD FRANCHISOR LLC
PRELIMINARY AGREEMENT
DATED _____________**

1. **Enforcement**. The following language is hereby added to the end of Section 10A:

   , excluding any claims arising under Section 19-28.1-14 of the Rhode Island Franchise Investment Act.

2. **Enforcement**. Section 10B of the Preliminary Agreement is hereby amended to read as follows:

B. You acknowledge that you have and will continue to develop a substantial and continuing relationship with us at our offices in the Commonwealth of Pennsylvania, where our decision-making authority is vested and franchise operations are conducted and supervised. Except for our right to obtain injunctive relief in any appropriate forum, any action arising out of or relating to this Preliminary Agreement shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in the Commonwealth of Pennsylvania for the district or county in which our headquarters are then located. You irrevocably submit to the jurisdiction of these courts, waive any objection you may have to either the jurisdiction or venue of these courts and agree not to argue that any of these courts is an inconvenient forum. If we move our corporate headquarters, you acknowledge that you will have a substantial and continuing relationship with us in the state to which we move and that any references to Pennsylvania in this paragraph will be deemed to be references to the new state. Therefore, any action arising out of or relating to this Preliminary Agreement shall be commenced in any state or federal court of general jurisdiction in the Commonwealth of Pennsylvania, or the new state as applicable, except for claims arising under Section 19-28.1-14 of the Rhode Island Franchise Investment Act.

3. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Rhode Island Franchise Investment Act is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

APPLICANT:

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Name:
Address:

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Name:
Address:

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Name:
Address:

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Name:
Address:

**GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107**

By:___________________________________

Title:______________________________

RIDER (FOR THE STATE OF VIRGINIA)
TO THE GODDARD FRANCHISOR LLC
PRELIMINARY AGREEMENT
DATED ______________

1. **Covenants**. Section 3 [Covenants] is amended as follows:

   a. Section 3F is deleted in its entirety and replaced with the following:

      F. You covenant that during the term of this Preliminary Agreement, except as otherwise approved in writing by us, you shall not directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, association, corporation, limited liability company or other entity:

      (1) Divert or attempt to divert any prospective customer of the business to be franchised under the Franchise Agreement to any child daycare or preschool learning center or business competitive with the School, by direct or indirect inducement or otherwise.

      (2) Own, maintain, engage in, be employed by, consult with or assist in any way, finance, or have any interest in any competitive child daycare or preschool learning center or business (other than a Goddard School for which you are a franchisee under an effective Franchise Agreement with us) in the capacity of owner, manager, director, supervisor, or spokesperson or by conducting or creating marketing, advertising, public relations, or otherwise engaged in recruiting prospective customers through direct sales solicitation or overseeing the marketing, advertising, and public relations programs of the competitive child daycare or preschool business.

   b. Section 3G is deleted in its entirety and replaced with the following:

      G. You covenant that for a period of two years after the expiration, transfer or termination of this Preliminary Agreement, if you do not ultimately enter into the Franchise Agreement, regardless of the cause of termination, you shall not either directly or indirectly, for yourself or through, on behalf of, or in conjunction with any other person, persons, partnership, association, corporation, limited liability company or other entity:

      (1) Divert or attempt to divert any prospective customer of the business to be franchised under the Franchise Agreement to any child daycare or preschool learning center or business competitive with the School, by direct or indirect inducement or otherwise;-

      (2) Own, maintain, engage in, be employed by, consult with or assist in any way, finance, or have any interest in any competitive child daycare or preschool learning center or business (other than a Goddard School for which you are a franchisee under an effective Franchise Agreement with us) in the capacity of owner, manager, director, supervisor, or spokesperson or by conducting or creating marketing, advertising, public relations, or otherwise engaged in recruiting prospective customers through direct sales solicitation or overseeing the marketing, advertising, and public relations programs of the competitive child daycare or preschool business at any proposed location for your School or within a radius of 10 miles of any proposed location for your School or any existing or

proposed Goddard School on the expiration, transfer or termination of this Preliminary Agreement.

2. Each provision of this Rider will be effective only to the extent that the School is located in the Commonwealth of Virginia.

The parties to this Rider now sign and deliver this Rider.

The parties to this Rider now sign and deliver this Rider.

APPLICANT:

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Name:
Address:

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Name:
Address:

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Name:
Address:

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Name:
Address:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:___________________________________

Title:______________________________

RIDER (FOR THE STATE OF WASHINGTON)
TO THE GODDARD FRANCHISOR LLC
PRELIMINARY AGREEMENT

DATED ______________

1. **Addition of Sections**. The following sections are added to the end of the Preliminary Agreement:

In recognition of the requirements by the Washington Franchise Investment Protection Act and the Rules and Regulations promulgated thereunder, the Preliminary Agreement of Goddard Franchisor LLC shall be modified as follows:

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

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

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

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

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

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

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

2. Validity of Agreement Provisions. We do not waive our right to challenge the enforceability of any state law that declares void or unenforceable any provision contained in this Agreement. We intend to rely on federal preemption under the Federal Arbitration Act. We and you will enforce the provisions of this Agreement to the full extent permitted by law.

3. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Washington Franchise Investment Protection Act is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

APPLICANT:

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Name:
Address:

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Name:
Address:

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Name:
Address:

____
Name:
Address:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:__________________________________

Title:______________________________

RIDER (FOR THE STATE OF HAWAII)
TO THE GODDARD FRANCHISOR LLC FRANCHISE AGREEMENT /
FRANCHISE AGREEMENT (RENEWAL)

DATED ______________________________

1. **Entire Agreement**. The following shall be added to the end of Section 21:

"Nothing in this Agreement or any exhibits or amendments are intended to disclaim any representations we made in the FDD."

2. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Hawaii Franchise Investment Law is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

FRANCHISEE:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:__________________________________

Title:______________________________

RIDER (FOR THE STATE OF ILLINOIS)
TO THE GODDARD FRANCHISOR LLC FRANCHISE AGREEMENT /
FRANCHISE AGREEMENT (RENEWAL)

DATED ______________________________

1. **Entire Agreement**. Section 21 is hereby deleted in its entirety and the following shall be substituted in its place:

This Agreement, the documents referred to herein, and any Amendments and the Attachments hereto, if any, constitute the entire, full and complete agreement between you and us concerning the subject matter hereof, and supersede all prior agreements, no other representations (except for those made in the Disclosure Document that you received from us) have induced you to sign this Agreement. No representations, inducements, promises or agreements, oral or otherwise, not embodied herein or attached hereto (unless of subsequent date) were made by any party, and none shall be of any force or effect with reference to this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and signed by their authorized officers or agents in writing.

2. **Enforcement**. Section 23A is hereby deleted in its entirety and the following shall be substituted in its place:

A. This Agreement takes effect upon its acceptance and signing by us in Pennsylvania, except for any claims arising under the Illinois Franchise Disclosure Act of 1987. This Agreement shall be interpreted and construed under the laws of the State of Illinois, except that any Illinois law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee shall not apply unless its jurisdictional requirements are met independently without reference to this Section.

3. **Enforcement**. Section 23B is hereby deleted in its entirety.

4. **Enforcement**. Section 23F is hereby amended by adding the following at the end:

Provided, however, that all rights you enjoy and any causes of action arising in your favor from the provisions of the Illinois Franchise Disclosure Act or any other Illinois law shall remain in force; it being the intent of this proviso that the non-waiver provisions of Section 705/41 of the Act be satisfied.

5. **Mutual Releases As Condition of Renewal**. Section 25A of the Franchise Agreement (Renewal) is hereby amended by adding the following at the end:

This release is not intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act.

6. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Illinois Franchise Disclosure Act is met independently of this Rider.

[Signature Page Follows]

The parties to this Rider now sign and deliver this Rider.

FRANCHISEE:

____
Name:
Address:

____
Name:
Address:

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Name:
Address:

____
Name:
Address:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:__________________________________

Title:______________________________

RIDER (FOR THE STATE OF INDIANA)
TO THE GODDARD FRANCHISOR LLC
FRANCHISE AGREEMENT / FRANCHISE AGREEMENT (RENEWAL)

DATED ______________

1. **Terms and Renewal**. Section 2B(10) of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

> provided that you cannot be required to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve us from liability under Indiana Code 23-2-2.7.

2. **Marketing and Promotion**. Section 5D of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

> Notwithstanding anything to the contrary in this Agreement, we shall not require that you spend more than 3% of Gross Receipts on business listings advertising, including any Internet based marketing, or other marketing expenditures that you are required to make under this Section 5D

3. **Duties of Franchisee**. Section 6B of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

> Notwithstanding anything to the contrary in this Agreement, we shall not require that you purchase any goods, supplies, inventories, or services exclusively from us or sources we designate where such goods, supplies, inventories, or services of comparable quality are available from sources other than those we designate, provided that our publication of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by us does not constitute designation of a source nor does our reasonable right to disapprove a supplier constitute a designation, and further provided that the above restriction on designation of sources does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by us.

4. **Transferability of Interest**. Section 12B(2) of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

> provided that you cannot be required to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve us from liability under Indiana Code 23-2-2.7.

5. **Obligations Upon Termination of Expiration**. Section 14J of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

> provided that you cannot be required to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve us from liability under Indiana Code 23-2-2.7.

6. **Approvals and Waivers**. The following language is hereby added to Section 19B of the Franchise Agreement:

However, such representations are not intended to nor shall they act as a release, assignment, novation, waiver or estoppel which purports to relieve us from liability under Indiana Code 23-2-2.7.

7. **Enforcement**. The following language is hereby added to the end of Section 23 as a new Section 23L of the Franchise Agreement:

L. Notwithstanding anything to the contrary in this Section 23, if this Section 23 requires litigation to be conducted in a forum other than the State of Indiana, the requirement may be unenforceable as a limitation on litigation pursuant to IC 23-2-2.7-1(10). Notwithstanding anything to the contrary in this Section 23, the choice of law for any cause of action brought under this Agreement will be subject to any superseding provisions contained in Indiana's Franchise Acts, IC 23-2-2.5 and 2.7. You will be permitted to bring actions arising under IC 23-2-2.5 at any time within three years from the date of violation pursuant to IC 23-2-2.7-7. The reservation of rights by us to injunctive relief and specific damages or limitations on the remedies available to either party without benefit of appropriate process is prohibited under IC 23-2-2.7-1(10). You cannot be required to recognize the adequacy or inadequacy of any remedy. The representations contained in Section 23F that you may not seek damages or any remedy from persons other than us are not intended to nor shall they act as a release, assignment, novation, waiver or estoppel of any liability under Indiana Code 23-2-2.7. The waiver or release of any rights with regard to this Agreement is prohibited under IC 23-2-2.7-1(5).

8. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Indiana Deceptive Franchise Practices Law is met independently of this Rider. We do not waive our right to challenge the enforceability of any state law that declares void or unenforceable any provision contained in this Agreement. We and you will enforce the provisions of the Agreement to the extent permitted by law.

The parties to this Rider now sign and deliver this Rider.

APPLICANT:	**GODDARD FRANCHISOR LLC** **1016 West Ninth Avenue** **King of Prussia, PA 19406-3107**
______________________________ Name: Address:	
	By:______________________________
______________________________ Name: Address:	Title:___________________________
______________________________ Name: Address:	
______________________________ Name: Address:	

RIDER (FOR THE STATE OF MARYLAND)
TO THE GODDARD FRANCHISOR LLC
FRANCHISE AGREEMENT / FRANCHISE AGREEMENT (RENEWAL)

DATED ______________

1. **Terms and Renewal**. Section 2B(10) of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

> provided that any general releases that the transferor may be required to sign in connection with this Agreement shall not apply to any liability we may have under the Maryland Franchise Registration and Disclosure Law.

2. **Initial Franchise Fee**. The following is added to the end of Section 4A of the Franchise Agreement:

> Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by you shall be deferred until we complete our pre-opening obligations under the Franchise Agreement.

3. **Transferability of Interest**. Section 12B(2) of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

> provided that any general releases that the transferor may be required to sign in connection with this Agreement shall not apply to any liability we may have under the Maryland Franchise Registration and Disclosure Law.

4. **Obligations Upon Termination of Expiration**. Section 14J of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

> provided that any general releases that the transferor may be required to sign in connection with the Franchise Agreement shall not apply to any liability we may have under the Maryland Franchise Registration and Disclosure Law.

5. **Approvals and Waivers**. The following language is hereby added to Section 19B of the Franchise Agreement:

> However, such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. **Enforcement**. The following language is hereby added to the end of Section 23A of the Franchise Agreement:

> , except that you may bring suit in Maryland for any claims arising under the Maryland Franchise Registration and Disclosure Law.

7. **Enforcement**. Section 23B is restated as follows:

> You acknowledge that you have and will continue to develop a substantial and continuing relationship with us at our offices in the Commonwealth of Pennsylvania, where our decision-

making authority is vested and franchise operations are conducted and supervised. Except for our right to obtain injunctive relief in any appropriate forum, any action arising out of or relating to this Agreement shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in the Commonwealth of Pennsylvania for the district or county in which our headquarters are then located. You irrevocably submit to the jurisdiction of these courts, waive any objection you may have to either the jurisdiction or venue of these courts and agree not to argue that any of these courts is an inconvenient forum. If we move our corporate headquarters, you acknowledge that you will have a substantial and continuing relationship with us in the state to which we move and that any references to Pennsylvania in this paragraph will be deemed to be references to the new state. Nothing contained in this Section 23B shall prevent you from commencing a lawsuit in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

8. **Enforcement**. The following language is hereby added to the end of Section 23F of the Franchise Agreement:

We cannot, as a condition to your purchase of a franchise, require you to release any claims under the Maryland Franchise Registration and Disclosure Law. The representations contained in this Section 23F that you may not seek damages or any remedy from persons other than us 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.

9. **Mutual Releases As Condition of Renewal**. Section 25A of the Franchise Agreement (Renewal) is hereby amended by adding the following at the end:

This release is not intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.]

Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Maryland Franchise Registration and Disclosure Law is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

FRANCHISEE:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:__________________________________

Title:______________________________

**RIDER (FOR THE STATE OF MINNESOTA)
TO THE GODDARD FRANCHISOR LLC
FRANCHISE AGREEMENT / FRANCHISE AGREEMENT (RENEWAL)**

DATED ______________________________________

1. **Term and Renewal**. The following language is hereby added to Section 2B(10) of the Franchise Agreement:

   , provided, however, that such general release shall not apply to any claims arising under the Minnesota Franchises Law.

2. **Term and Renewal**. The following language is added to the end of Section 2 of the Franchise Agreement:

   Minnesota law provides you with certain non-renewal rights. Minn. Stat. §80C.14 (subd. 4) requires, except in certain specified cases, that you be given 180 days notice for non-renewal of the Agreement.

3. **Proprietary Marks**. The following language is added to the end Section 7D of the Franchise Agreement:

   We shall protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and shall indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Proprietary Marks.

4. **Transferability of Interest**. The following language is hereby added to Section 12B(2) of the Franchise Agreement:

   , provided, however, that such general release shall not apply to any claims arising under the Minnesota Franchises Law.

5. **Terminations By GFL**. The following language is hereby added to the end of Section 13 of the Franchise Agreement:

   Minnesota law provides you with certain termination rights. Minn. Stat. §80C.14 (subd. 4) requires, except in certain specified cases, that you be given 90 days notice for termination (with 60 days to cure) of the Franchise Agreement.

6. **Obligations Upon Termination or Expiration**. The following language is added to Section 14J of the Franchise Agreement:

   , provided, however, that such general release shall not apply to any claims arising under the Minnesota Franchises Law.

7. **Enforcement**. Section 23A and 23B of the Franchise Agreement are hereby deleted in their entirety and the following shall be substituted in their place:

   A. This Agreement takes effect upon its acceptance and signing by us in Pennsylvania. This Agreement shall be interpreted and construed under the laws of the Commonwealth of Pennsylvania and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the Commonwealth of Pennsylvania, which laws shall prevail if there is a conflict of law. Pursuant to Minn. Stat. §80C.21 and Minn. Rule Part 2860.4400J, this paragraph shall not in any way abrogate or reduce your rights as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota.

B. You acknowledge that you have and will continue to develop a substantial and continuing relationship with us at our offices in the Commonwealth of Pennsylvania, where our decision-making authority is vested and franchise operations are conducted and supervised. Except for our right to obtain injunctive relief in any appropriate forum, any action arising out of or relating to this Agreement shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in the Commonwealth of Pennsylvania for the district or county in which our headquarters are then located. You irrevocably submit to the jurisdiction of these courts, waive any objection you may have to either the jurisdiction or venue of these courts and agree not to argue that any of these courts is an inconvenient forum. If we move our corporate headquarters, you acknowledge that you will have a substantial and continuing relationship with us in the state to which we move and that any references to Pennsylvania in this paragraph will be deemed to be references to the new state. Pursuant to Minn. Stat. §80C.21 and Minn. Rule Part 2860.4400J, this paragraph shall not in any way abrogate or reduce your rights as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota.

8. **Enforcement**. Section 23D is hereby deleted in its entirety and the following shall be substituted in its place:

D. Nothing herein contained shall bar our right to seek injunctive relief against threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

9. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Minnesota Franchises Act is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

FRANCHISEE:

____
Name:
Address:

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Name:
Address:

____
Name:
Address:

____
Name:
Address:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:__________________________________

Title:______________________________

RIDER (FOR THE STATE OF NEW YORK)
TO THE GODDARD FRANCHISOR LLC
FRANCHISE AGREEMENT / FRANCHISE AGREEMENT (RENEWAL)

DATED ______________________________________

1. **Term and Renewal**. The following language is hereby added to Section 2B(10) of the Agreement:

> , provided, however, that all rights enjoyed by you 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 GBL 687.4 and 687.5 be satisfied.

2. **Transferability of Interest**. The following language is hereby added to Section 12B(2) of the Agreement:

> , provided, however, that all rights enjoyed by you 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 GBL 687.4 and 687.5 be satisfied.

3. **Obligations Upon Termination or Expiration**. The following language is hereby added to Section 14J of the Agreement:

> , provided, however, that all rights enjoyed by you 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 GBL 687.4 and 687.5 be satisfied.

4. **Enforcement**. The following language is added to the end of Section 23A and 23B of the Agreement:

> ; however, the governing choice of law shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

5. **Enforcement**. Section 23D is hereby deleted in its entirety and the following shall be substituted in its place:

> D. Nothing herein contained shall bar our right to seek injunctive relief against threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

[6. **Mutual Releases As Condition of Renewal**. Section 25A of the Franchise Agreement (Renewal) is hereby amended by adding the following at the end:

> All rights enjoyed by you 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 will remain in force; it being the intent of this proviso that the non-waiver provisions of GBL 687.4 and 687.5 be satisfied.]

7. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the New York General Business Law is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

FRANCHISEE:	**GODDARD FRANCHISOR LLC** **1016 West Ninth Avenue** **King of Prussia, PA 19406-3107**
____________________________________ Name: Address:	By:__________________________________
____________________________________ Name: Address:	Title:______________________________
____________________________________ Name: Address:	
____________________________________ Name: Address:	

**RIDER (FOR THE STATE OF NORTH DAKOTA)
TO THE GODDARD FRANCHISOR LLC
FRANCHISE AGREEMENT / FRANCHISE AGREEMENT (RENEWAL)**

DATED ____

1. **Term and Renewal**. The following language is hereby added to Section 2B(10) of the Agreement:

   , provided, however, that such general release shall not apply to any claims arising under North Dakota Law.

2. **Transferability of Interest**. The following language is hereby added to Section 12B(2) of the Agreement:

   , provided, however, that such general release shall not apply to any claims arising under North Dakota Law.

3. **Obligations Upon Termination or Expiration**. The following language is hereby added to Section 14J of the Agreement:

   , provided, however, that such general release shall not apply to any claims arising under North Dakota Law.

   The following language is hereby added to the end of Section 14 of the Agreement:

   Section 14 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51- 19-09 of the North Dakota Franchise Investment Law.

4. **Covenants**. The following language is hereby added to the end of Section 16 of the Agreement:

   Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

5. **Enforcement**. Section 23A is hereby deleted in its entirety and the following shall be substituted in its place:

   A. This Agreement takes effect upon its acceptance and signing by us in Pennsylvania. This Agreement shall be interpreted and construed under the laws of the State of North Dakota and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the State of North Dakota, which laws shall prevail if there is a conflict of law.

6. **Enforcement**. Section 23B of the Franchise Agreement is hereby deleted in its entirety.

7. **Enforcement**. Section 23E of the Franchise Agreement is hereby deleted in its entirety and the following shall be substituted in its place:

E. In any action to enforce or defend our rights under this Agreement, the prevailing party shall be entitled to recover all costs and expenses, including attorneys' fees.

8. **Enforcement**. The following is added to Section 23G and 23H:

The parties acknowledge that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees:

Waiver of Trial by Jury as contained in Section 23H: Requiring North Dakota franchises to consent to the waiver of a trial by jury.

Waiver of Exemplary & Punitive Damages as contained in Section 23G: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damage.

Limitation of Claims as contained in Section 23I: Requiring North Dakota franchisees to consent to a limitation of claims within one year.

We do not waive our right to challenge the enforceability of any state law or the position of the North Dakota Securities Commissioner that declares void or unenforceable any provision contained in this Agreement. We and you will enforce the provisions of this Agreement to the full extent permitted by law.

9. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the North Dakota Franchise Investment Law is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

FRANCHISEE:

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Name:
Address:

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Name:
Address:

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Name:
Address:

____
Name:
Address:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:__________________________________

Title:______________________________

RIDER (FOR THE STATE OF RHODE ISLAND)
TO THE GODDARD FRANCHISOR LLC
FRANCHISE AGREEMENT / FRANCHISE AGREEMENT (RENEWAL)

DATED _____________

1. **Enforcement**. The following language is hereby added to the end of Section 23A:

   , excluding any claims arising under Section 19-28.1-14 of the Rhode Island Franchise Investment Act.

2. **Enforcement**. Section 23B of the Agreement is hereby amended to read as follows:

   B. You acknowledge that you have and will continue to develop a substantial and continuing relationship with us at our offices in the Commonwealth of Pennsylvania, where our decision-making authority is vested and franchise operations are conducted and supervised. Except for our right to obtain injunctive relief in any appropriate forum, any action arising out of or relating to this Agreement shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in the Commonwealth of Pennsylvania for the district or county in which our headquarters are then located. You irrevocably submit to the jurisdiction of these courts, waive any objection you may have to either the jurisdiction or venue of these courts and agree not to argue that any of these courts is an inconvenient forum. If we move our corporate headquarters, you acknowledge that you will have a substantial and continuing relationship with us in the state to which we move and that any references to Pennsylvania in this paragraph will be deemed to be references to the new state, except for claims arising under Section 19-28.1-14 of the Rhode Island Franchise Investment Act.

3. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Rhode Island Franchise Investment Act is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

FRANCHISEE:

____
Name:
Address:

____
Name:
Address:

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Name:
Address:

____
Name:
Address:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:_________________________________

Title:______________________________

RIDER (FOR THE STATE OF VIRGINIA)
TO THE GODDARD FRANCHISOR LLC
FRANCHISE AGREEMENT / FRANCHISE AGREEMENT (RENEWAL)

DATED ______________

2. **Covenants**. Section 16 Covenants is amended as follows:

a. Section 16B is deleted in its entirety and replaced with the following:

B. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you shall not directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, association, corporation, limited liability company or other entity:

(1) Divert or attempt to divert any customer of the business franchised under this Agreement to any child daycare or preschool learning center or business competitive with the School, by direct or indirect inducement or otherwise.

(2) Own, maintain, engage in, be employed by, consult with or assist in any way, finance, or have any interest in any competitive child daycare or preschool learning center or business (other than a Goddard School for which you are a franchisee under an effective Franchise Agreement with us) in the capacity of owner, manager, director, supervisor, or spokesperson or by conducting or creating marketing, advertising, public relations, or otherwise engaged in recruiting prospective customers through direct sales solicitation or overseeing the marketing, advertising, and public relations programs of the competitive child daycare or preschool business.

b. Section 16C is deleted in its entirety and replaced with the following:

C. You covenant that for a period of three years after the expiration, transfer or termination of this Agreement, regardless of the cause of termination, or after the date upon which you cease to operate the School following the expiration, transfer or termination of this Agreement, whichever is later, you shall not either directly or indirectly, for yourself or through, on behalf of, or in conjunction with any other person, persons, partnership, association, corporation, limited liability company or other entity:

(1) Divert or attempt to divert any customer of the business franchised under this Agreement to any child daycare or preschool learning center or business competitive with the School, by direct or indirect inducement or otherwise;

(2) Own, maintain, engage in, be employed by, consult with or assist in any way, finance, or have any interest in any competitive child daycare or preschool learning center or business (other than a Goddard School for which you are a franchisee under an effective Franchise Agreement with us) in the capacity of owner, manager, director, supervisor, or spokesperson or by conducting or creating marketing, advertising, public relations, or otherwise engaged in recruiting prospective customers through direct sales solicitation or overseeing the marketing, advertising, and public relations programs of the competitive child daycare or preschool business at the premises of the School or within a radius of 10 miles of the School or any School existing or proposed on the expiration, transfer or termination of this Agreement.

2. Each provision of this Rider will be effective only to the extent that the School is located in the Commonwealth of Virginia.

The parties to this Rider now sign and deliver this Rider.

FRANCHISEE:	**GODDARD FRANCHISOR LLC** **1016 West Ninth Avenue** **King of Prussia, PA 19406-3107**
_____________________________________ Name: Address:	By:__________________________________
_____________________________________ Name: Address:	Title:_____________________________
_____________________________________ Name: Address:	
_____________________________________ Name: Address:	

RIDER (FOR THE STATE OF WASHINGTON)
TO THE GODDARD FRANCHISOR LLC
FRANCHISE AGREEMENT / FRANCHISE AGREEMENT (RENEWAL)

DATED ______________

1. **Addition of Sections**. The following Sections are added to the end of the Franchise Agreement:

24. [Franchise Agreement]/ 25. [Franchise Agreement (Renewal). Washington Rider. In recognition of the requirements by the Washington Franchise Investment Protection Act and the Rules and Regulations promulgated thereunder, the Franchise Agreement of Goddard Franchisor LLC shall be modified as follows:

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

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

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

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

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

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

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

25. [Franchise Agreement]/ 26. [Franchise Agreement (Renewal). Validity of Agreement Provisions. We do not waive our right to challenge the enforceability of any state law that declares void or unenforceable any provision contained in this Agreement. We intend to rely on federal preemption under the Federal Arbitration Act. We and you will enforce the provisions of this Agreement to the full extent permitted by law.

3. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Washington Franchise Investment Protection Act is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

FRANCHISEE:

____
Name:
Address:

____
Name:
Address:

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Name:
Address:

____
Name:
Address:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:__________________________________

Title:______________________________

RIDER (FOR THE STATE OF MARYLAND)
TO THE GODDARD FRANCHISOR LLC
DEVELOPMENT AGREEMENT

DATED ______________

1. **Initial Franchise Fee**. The following is added to the end of Section 2 of the Development Agreement:

> Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by you shall be deferred until we complete our pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by developers shall be deferred until the first franchise under the Development Agreement opens.

2. **Transferability of Interest**. Section 7B(2) of the Development Agreement is hereby amended by the addition of the following language to the original language that appears therein:

> provided that any general releases that the transferor may be required to sign in connection with this Agreement shall not apply to any liability we may have under the Maryland Franchise Registration and Disclosure Law.

3. **Approvals and Waivers**. The following language is hereby added to Section 12B of the Development Agreement:

> However, such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

4. **Enforcement**. The following language is hereby added to the end of Section 16A of the Development Agreement:

> , except that you may bring suit in Maryland for any claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **Enforcement**. Section 16B is restated as follows:

> Developer acknowledges that it has and will continue to develop a substantial and continuing relationship with us at our offices in the Commonwealth of Pennsylvania, where our decision-making authority is vested and franchise operations are conducted and supervised. Except for our right to obtain injunctive relief in any appropriate forum, any action arising out of or relating to this Agreement shall be commenced, conducted and concluded only in a state or federal court of general jurisdiction in the Commonwealth of Pennsylvania for the district or county in which our headquarters are then located. You irrevocably submit to the jurisdiction of these courts, waive any objection you may have to either the jurisdiction or venue of these courts and agree not to argue that any of these courts is an inconvenient forum. If we move our corporate headquarters, you acknowledge that you will have a substantial and continuing relationship with us in the state to which we move and that any references to Pennsylvania in this paragraph will be deemed to be references to the new state. Nothing contained in this Section 16B shall prevent you from commencing a lawsuit in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **Enforcement**. The following language is hereby added to the end of Section 16F of the Development Agreement:

> We cannot, as a condition to your purchase of a franchise, require you to release any claims under the Maryland Franchise Registration and Disclosure Law. The representations contained in this Section 16F that you may not seek damages or any remedy from persons other than us are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Maryland Franchise Registration and Disclosure Law is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

DEVELOPER:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:___________________________________

Title:______________________________

RIDER (FOR THE STATE OF ILLINOIS)
TO THE GODDARD FRANCHISOR LLC
ASSIGNMENT AND ASSUMPTION AGREEMENT
(PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY)

DATED ______________

1. Section 6 is deleted in its entirety and the following shall be substituted in its place:

   This Agreement shall be construed and interpreted under the laws of the State of Illinois, except that any Illinois law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee shall not apply unless its jurisdictional requirements are met independently without reference to this Section.

2. Section 7 is hereby deleted in its entirety.

3. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Illinois Franchise Disclosure Act is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

ASSIGNOR:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

ASSIGNEE:

____

By:___________________________________

Title:________________________________

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:___________________________________

Title:________________________________

RIDER (FOR THE STATE OF MARYLAND)
TO THE GODDARD FRANCHISOR LLC
ASSIGNMENT AND ASSUMPTION AGREEMENT
(PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY)

DATED ______________________

1. Section 6 is hereby amending by deleting the second half of Section 6 starting with the fifth sentence [beginning "Assignor and Assignee acknowledge that they have and will continue to develop a substantial and continuing relationship with GFL"] in its entirety and the following is substituted therefor:

> Assignor and Assignee agree that they have had and shall continue to have a substantial relationship with GFL at its offices in Pennsylvania. GFL shall have the option of bringing any action seeking equitable relief to enforce the terms of this Agreement or to prevent any actual or threatened breach of this Agreement in any court of competent jurisdiction in order to prevent real or threatened harm, and Assignor and Assignee consent to the entry of injunctive relief, including temporary restraining orders and/or preliminary and permanent injunctions without the requirement of bond, according to the usual equity rules in the jurisdiction in which such relief is sought.

2. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Maryland Franchise Registration and Disclosure Law is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

ASSIGNOR:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

ASSIGNEE:
____

By:_________________________________

Title:______________________________

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:_________________________________

Title:______________________________

RIDER (FOR THE STATE OF NEW YORK)
TO THE GODDARD FRANCHISOR LLC
ASSIGNMENT AND ASSUMPTION AGREEMENT
(PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY)

DATED ____

1. The following language is hereby added to Section 6:

However, the governing choice of law shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

2. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the New York General Business Law is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

ASSIGNOR:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

ASSIGNEE:
____

By:___________________________________

Title:_______________________________

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:___________________________________

Title:_______________________________

RIDER (FOR THE STATE OF MARYLAND)
TO THE GODDARD FRANCHISOR LLC
AMENDMENT TO FRANCHISE AGREEMENT
(Modified or Grandfathered Fee)
(Transfer)
(Satellite Location)
(Annex)

AND TO THE
DISCLOSURE ACKNOWLEDGEMENT STATEMENT

DATED ____________________

1. The following language is added to the last paragraph of the Amendment to Franchise Agreement (Modified or Grandfathered Fee) (Transfer) (Satellite Location) (Annex), as applicable, and to Paragraph 3 of the Disclosure Acknowledgement Statement:

> However, such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

2. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Maryland Franchise Registration and Disclosure Law is met independently of this Rider.

The parties to this Rider now sign and deliver this Rider.

FRANCHISEE:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

____
Name:
Address:

GODDARD FRANCHISOR LLC
1016 West Ninth Avenue
King of Prussia, PA 19406-3107

By:__________________________________

Title:______________________________

EXHIBIT I

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	April 29, 2024 (Exempt)
Hawaii	Pending
Illinois	April 29, 2024 (Exempt)
Indiana	April 29, 2024 (Exempt)
Maryland	Pending (Exempt)
Michigan	April 29, 2024
Minnesota	Pending
New York	April 29, 2024 (Exempt)
North Dakota	Pending (Exempt)
Rhode Island	Pending (Exempt)
South Dakota	Pending
Virginia	Pending (Exempt)
Washington	Pending (Exempt)
Wisconsin	Pending

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

<u>EXHIBIT J</u>

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 Goddard Franchisor LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Iowa and New York require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreements or the payment of any consideration, whichever occurs first.

If Goddard Franchisor LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in Exhibit F.

The name, principal business address, and telephone number of each franchise seller offering the franchise: ☐ Jeffrey Travitz; ☐ Kurt Montgomery; ☐ Scott Weidholz; ☐ Hannah Serba; all located at Goddard Franchisor LLC 1016 West Ninth Avenue, King of Prussia, PA 19406-3107; (800) 272-4901; and______ ____.

Issuance Date: April 29, 2024.

Goddard Franchisor LLC authorizes the respective state agencies identified on Exhibit F to receive service of process for it in the particular state.

I received a disclosure document dated April 29, 2024, that included the following Exhibits:

A	Financial Statements
B-1	Current Franchisees
B-2	Former Franchisees
C-1	Preliminary Agreement
C-2	Franchise Agreement, including (a) Draft Authorization
C-3	Development Agreement
C-4	Purchase Orders
C-5	Amendment to Franchise Agreement (Modified or Grandfathered Fee))
C-6	Amendment to Franchise Agreement (Transfer)
C-7	Amendment to Franchise Agreement (Annex)
C-8	Amendment to Franchise Agreement (Satellite Location)
C-9	Amendment to Franchise Agreement (Designated On-Site Operator)
C-10	Franchise Agreement (Renewal)
C-11	Collateral Assignment of Lease and Consent and Agreement of Lessor
C-12	Option to Lease Agreement and Right of First Refusal
C-13	Assignment and Assumption Agreement
C-14	Disclosure Acknowledgement Statement
C-15.1	Confidentiality Agr.(persons assoc. franchisee)
C-15.2	Confidentiality Agr.(possible purchaser)
C-15.3	Confidentiality Agr.(possible add-on))
C-16	Confidentiality and Noncompetition Agreement
D-1	Termination of Preliminary Agreement and Mutual Release
D-2	Termination of Franchise Agreement and Mutual Release
E	Table of Contents - Manuals
F	State Agencies/Agents for Service of Process
G	Receipt of Franchise-Related Documents
H	State Specific Addenda and Riders
I	State Effective Dates
J	Receipts

Date	Signature of Prospective Franchisee	Printed Name
Date	Signature of Prospective Franchisee	Printed Name

RECEIPT

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If Goddard Franchisor LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in Exhibit F.

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____.

Issuance Date: April 29, 2024.

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C-15.3	Confidentiality Agr.(possible add-on))
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I	State Effective Dates
J	Receipts

Date	Signature of Prospective Franchisee	Printed Name
Date	Signature of Prospective Franchisee	Printed Name