FRANCHISE DISCLOSURE DOCUMENT

Daekyo America, Inc.
a California corporation
1310 Palisade Avenue
Fort Lee, NJ 07024
Phone: (888) 835 -1212
Website: www.myeyelevel.com
Email: franchise@myeyelevel.com

We offer a franchise to operate a learning center under the "Eye Level Learning Center" name. The learning center offers methods and programs for mathematics and English from pre-school up to high-school students.

The total investment necessary to begin operation of an Eye Level franchised business is $49,968 to $133,200. This includes $4,100 – $6.100 that must be paid to the franchisor or its affiliates. This amount is payable to us.

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 us at 1310 Palisade Avenue, Fort Lee, NJ, 07024, Attention: Franchise Recruitment or (888) 835-1212.

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 an attorney or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as *A Consumer's Guide to Buying a Franchise*, which can help you understand how to use this disclosure document, is available from the Federal Trade Commission (FTC). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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 8, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits E-1 and E-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 C 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 franchise outlets.
Will my business be the only Daekyo 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 Daekyo franchisee?	Item 20 or Exhibits E-1 and E-2 list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by litigation only in New Jersey. 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 New Jersey than in your own state.

2. **Mandatory Minimum Payments.** You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in 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 thirty (30) days, to cure such failure.

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

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

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

(g) A provision which permits a franchisor to refuse 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:

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of the franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations 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 ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 W. Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

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EXHIBITS TO DISCLOSURE DOCUMENT

Exhibit A	List of State Agencies/Agents For Service of Process
Exhibit B	Franchise Agreement and Exhibits
Exhibit C	Financial Statements
Exhibit D	Operations Manual Table of Contents
Exhibit E-1	List of Franchisees as of 12/31/2025
Exhibit E-2	Franchisees Who Left the System During the Fiscal Year Ending 12/31/25
Exhibit F	State Addenda and Franchise Agreement Riders

APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT F TO THIS FRANCHISE DISCLOSURE DOCUMENT.

ITEM 1

THE FRANCHISOR, ANY PARENTS, PREDECESSORS AND AFFILIATES

We are Daekyo America, Inc., the franchisor ("we," "us," or "our"). "You" means the person to whom we grant a franchise. If you are a corporation, partnership, limited liability company, or other entity, your owners must sign our "Guaranty and Assumption of Obligations," (see Exhibit 3 to the Franchise Agreement) which means that all of our Franchise Agreement's provisions also will apply to your owners.

We are a California corporation and our principal business address is 1310 Palisade Avenue, Fort Lee, NJ 07024. We operate under our corporate name and the trademarks described in Item 13 (the "Marks"). We also do business under the following names and marks: "EYE LEVEL MATH," "EYE LEVEL ENGLISH," "EYE LEVEL READING & WRITING ," "EYE LEVEL MATH & READING," "EYE LEVEL MATH READING & WRITING," "EYE LEVEL DAEKYO," "DAEKYO," "EYE LEVEL MATH ONLINE," "EYE LEVEL SUMMIT OF MATH," "PLAMU," and "TUNITUNI."

Our agents for service of process and their addresses are listed in Exhibit A.

We grant franchises for locations operating under the "Eye Level Learning Center" name and other Marks. (For reference purposes in this Disclosure Document, we call the learning centers in our system "Eye Level Learning Centers"; we call the Eye Level Learning Center that you will operate the "Learning Center.") Eye Level Learning Centers offer proprietary educational services, methods, and programs (the "Teaching Methods") for mathematics, reading and writing of the English language and other curricula specified by us (the "Authorized Curricula"). We offer both single-unit franchise and Multi -unit Franchise opportunities for up to five (5) Learning Centers.

Our parent company is Daekyo Co., Ltd. ("DCL"), located in Seoul, South Korea. DCL was established in 1976 and has been operating and franchising learning centers since then. DCL operates and franchises more than 1,000 learning centers globally in 22 countries. The combined enrollment of all such centers exceeds 2 million students. DCL also publishes books and magazines geared toward pre-school through secondary school children.

The Teaching Methods, based on methods originally developed and perfected by our parent company, emphasize self-directed learning geared toward the particular needs and abilities of each student. The Teaching Methods use a series of Booklets, diagnostic tests, achievement tests, level tests and other devices we may specify (collectively, the "Instructional Materials") to assist the educational advancement of primary and secondary students through self-directed learning and disciplined practice. If you acquire a franchise, you must operate your Learning Center according to our business formats, methods, procedures, designs, layouts, standards, and specifications.

We have been offering franchises for Eye Level Learning Centers in the United States since 1991. Our predecessor, Daekyo USA, Inc. ("Daekyo USA") offered franchises for Eye Level Learning Centers in the Eastern portion of the U.S. and Canada from 2003 through 2006. Our predecessor, Daekyo North America, Inc. ("Daekyo North America") offered franchises for Eye Level Learning Centers in the U.S. and Canada during 2007. On December 31, 2007, Daekyo North America was merged into Daekyo USA and Daekyo USA was merged into us and we are the surviving corporation that continues to offer franchises. We and our predecessors are all subsidiaries of DCL. We have no other business activities and have not offered franchises in other lines of business. Neither we nor our affiliates have offered franchises in any other line of business in the U.S., Canada and Mexico.

DCL originally divided the United States into two territories for franchising Eye Level Learning Centers. Daekyo USA was designated to offer franchises in the Eastern half of the United States and Eastern Canada and we offered franchises in the Western half of the United States, Western Canada and Mexico. Daekyo USA offered franchises in the U.S. from 2003 to 2006. Daekyo North America, Inc. offered franchises throughout the U.S. during 2007. We are now the only company that offers franchises for Eye Level Learning Centers in the U.S. and Canada. There are no more existing franchise agreements that were signed by Daekyo USA and Daekyo North America.

From 1991 through August 2012, we offered our learning centers in the United States under the tradename "E.Nopi". In August 2012, we ceased offering franchises under the trade name "E.Nopi" and began offering franchises under the trade name "Eye Level", which is the English translation of the Korean word E.Nopi. Almost all of our franchisees are now operating under the trade name "Eye Level". Although our brand name has evolved from E.Nopi to the English translation "Eye Level", the Teaching Methods and Authorized Curricula are substantially the same.

Market Competition

Your Learning Center will offer products and services to the general public throughout the year and compete with other supplemental and after-school education classes and programs. The supplemental educational market continues to experience increasing competition. You will face competition from educational services offered through the Internet, applications offered on smart phones and tablets, artificial intelligence generated materials, tutoring institutes, tutoring centers, learning centers, test-prep centers, cram schools, individual tutors, self-tutoring programs, other Eye Level Learning Centers, and other individuals, companies, and organizations.

Industry Specific Regulations

Certain states may require you or your Center Director to possess specific certifications in connection with the instructional duties that take place at the Learning Center. Furthermore, your Learning Center may be considered a "school" under applicable zoning codes. Classification of your Learning Center as a "school" may entail additional requirements such as separate bathrooms for boys and girls, water fountains, special exit doors equipped with panic bars, and accommodations for disabled persons. Although we do not regard Eye Level Learning Centers as schools, we urge you to consult with an attorney concerning any special requirements that may apply to you or your Learning Center.

You will need to conduct criminal background checks on instructors in order for them to work with children. Under the Franchise Agreement, you alone are responsible for complying with all applicable laws and regulations despite any information that we may give you, including privacy laws. You should investigate the application of these laws further.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer: Bada Kang

Mr. Kang became our Chief Executive Officer on November 1, 2022 and is based out of our Fort Lee, New Jersey HQ office. From August 2016 through October 2022, Mr. Kang worked at our parent company, Daekyo Co., Ltd. (based in Seoul, Republic of Korea) in several leadership roles as follows: Daekyo Global Business Planning Department as the Team Leader and acting president of Daekyo America, Inc. from July 2022 through October 2022; Team Leader for the Business Strategy Planning Team for Daekyo Educamp Co. Ltd., from July 2021 through June 2022; Team Leader for Platform Business from April 2018 through June 2021; and Team Member for Education from January 2016 through March 2018. Since November 2022, Mr. Kang has been a member of the Board of Directors of Daekyo America.

Director and Chairman: Young Joong Kang

Mr. Young Joong Kang is the Founder of Daekyo Co., Ltd., the parent company of Daekyo America Inc., and has been Chairman since its inception in 1976.

Director: Ho Jun Kang

Mr. Ho Jun Kang serves as Chief Executive Officer of Daekyo Co., Ltd. since March 2021 through the present. He previously served as the Managing Director of Daekyo Co., Ltd.'s Global Business Strategy Division from September 2017 through February 2021. He was Senior Vice President of Global Business Strategy Division from January 2014 through August 2017. Mr. Ho Jun Kang was the CEO for Daekyo America from January 2013 through December 2013. Mr. Kang has also served as a member of the Board of Directors of Daekyo America from April 2007 through the present.

Director: Ho Chul Kang

Mr. Ho Chul Kang serves as the Chief Operating Officer of Daekyo Holdings Co. (based in Seoul, Republic of Korea) since March 2021 through the present. He previously served as the Managing Director of the Management Innovation Department of Daekyo Holdings Co. from January 2017 through February 2021. Mr. Kang was the CEO for Daekyo America from January 2014 to December 2016. He has served as a member of the Board of Directors for Daekyo America from April 2007 through the present.

Director: John J. Lee

Mr. John J. Lee has been a member of our Board of Directors from December 2003 through the present. Mr. Lee previously served as our CEO from April 2007 through December 2012 and our President from April 2007 through March 2015.

Managing Director (Global Business Division): John Kim

Mr. Kim has been Managing Director of Daekyo Co., Ltd.'s Global Business Division since April 2021. Before joining Daekyo, he was Managing Director of Golfzon Co., Ltd.'s Global Business Division (based in Seoul, Republic of Korea) from October 2016 through December 2020. Mr. Kim was head of equity sales & trading at KB Securities Co., Ltd. in Seoul, Republic of Korea from September 2012 through September 2016.

Leader, Franchise Department: Aiden Park

Mr. Park has been the Leader of our Franchise Department since January, 2026. Prior to that, he served as the Team Leader of the Business Management Team from October 2024 through December 2025. From April 2023 through September 2024, he was the Team Leader of the Strategy and Planning Department. He was employed at Cafe24, an IT company based in Seoul, Republic of Korea, from March 2022 through March 2023. Mr. Park was employed at our parent company as Global Management Team Manager from August 2011 through February 2022. Mr. Park works out of our Fort Lee, New Jersey HQ office.

Director of Franchise Development: Samuel Chun

Mr. Chun has been the Director of the Franchise Development Department since January 2020. From February 2017 through December 2019, Mr. Chun was a Director of Franchise Development, Western Region. Mr. Chun is based out of our Fort Lee, New Jersey HQ office.

ITEM 3

LITIGATION

Administrative Actions

On March 24, 2016, we entered into a Consent Order (Order No. S-15-1805-15-CO01) with the State of Washington Department of Financial Institutions, Securities Division. The Division alleged that we sold a franchise in the State of Washington in 2013, after our registration expired (in violation of RCW 19.100.020). Without admitting or denying any violation of law, we agreed to cease and desist from selling any franchises in violation of RCW 19.100.020, the registration section of the Franchise Investment Protection Act of the State of Washington.

On January 15, 1996, we entered into a Consent Order with the Maryland Securities Commissioner (Securities Commission of Maryland Case No. § 93 161) whereby: (a) Daekyo America immediately and permanently cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Law, (b) Daekyo America diligently pursue the completion of its application to register its franchise offering in Maryland pursuant to the Maryland Franchise Law, (c) within twenty days after Daekyo America received notification from the Maryland Securities Division that its registration had been effective in Maryland, Daekyo America make a rescission offer to each of the Maryland franchisees and provide the Maryland Securities Division with copies of the certified mail receipts verifying that the rescission offers had been sent, and (d) Daekyo America acknowledge that the Consent Order is a disclosable order as described under Section 14 216(c)(9)(1)(4) of the Maryland Franchise Registration and Disclosure Law. Recession was offered as required.

On February 2, 2018 we entered into a second Consent Order with the Maryland Securities Commissioner (Securities Commission of Maryland Case No. § 2017-0845) whereby: (a) Daekyo America agreed to immediately and permanently cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Law and the 1996 Consent Order; (b) Daekyo America agreed that within ten (10) days after execution of the Consent Order, it would reimburse former Maryland franchisees sold during a period of non-registration the initial franchise fees paid and notify them that they have no post-sale restrictions other than those associated with use of trademarks, the System, trade secrets, or confidential and proprietary information; (c) Daekyo America agreed to provide evidence to the Securities Division that payments were made to the affected franchisees and that the required notices were sent; (d) Daekyo

America's officers and executives responsible for sales in Maryland must complete a training program approved by the Securities Division; (e) Daekyo American must pay a civil penalty in the amount of $15,000 to the Office of the Attorney General of Maryland; and (f) Daekyo America acknowledges that the Consent Order is a disclosable order as described under Section 14 216(c)(9)(1)(4) of the Maryland Franchise Registration and Disclosure Law. All required payments and notices have been made.

Except as otherwise set forth above, no litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee in a lump sum when you sign the Franchise Agreement. Our standard initial franchise fee currently is $1,000. The initial franchise fee under the Franchise Agreement is not refundable under any circumstances.

If you are qualified and granted multi-unit franchises, you are required to pay $1,000 for each additional franchise agreement, and all franchise fees must be paid at the signing of the 1st franchise agreement.

Initial Fee Type	Amount	when due	Refundable
Initial Franchise fee (Single)	$1,000	at the signing of the 1st FA	No
Multi -unit 2nd Franchise	$1,000	at the signing of the 1st FA	No
Multi -unit 3rd Franchise	$1,000	at the signing of the 1st FA	No
Multi -unit 4th Franchise	$1,000	at the signing of the 1st FA	No
Multi -unit 5th Franchise	$1,000	at the signing of the 1st FA	No

If you are an existing franchisee and have been granted an additional Eye Level Franchise, you must pay us an initial franchise fee in a lump sum when you sign the Franchise Agreement.

Booklet Security Deposit

You must pay us a refundable Booklet Security Deposit in the amount of $3,000 when you sign the Franchise Agreement. There is no charge for the initial inventory we provide to you. It is also shipped to you at no charge. Upon the termination or expiration (without renewal) of the Franchise Agreement, you must return to us an amount of unused (and in usable condition) Booklets at least equal to the opening inventory amount we provide to you. We will charge $2.00 per Booklet for any deficiency that exists between the number of unused Booklets provided at the start of the franchise relationship as compared to the number of unused Booklets when the franchise relationship ends for any reason.

We may also credit the Booklet Security Deposit to any other amounts owed to us by you at the time of termination or expiration of the Franchise Agreement. For shipment of our Booklets back to our Distribution Center when the franchise relationship ends, we will initially pay for the costs but will then

make an Electronic Funds Transfer to your authorized account for the shipping costs we incurred. If any credit balance remains on the Booklet Security Deposit after the above possible charges, we will refund that amount to you. You will not receive any interest on the Booklet Security Deposit.

Self-Directed Learning (SDL) Desk

For a New Learning Center, we will provide at no cost up to 16 SDL Desks for your approved location as space permits. For a Transfer Learning Center, we will provide up to 10 SDL Desks at no cost as space permits. Additional SDL Desks will cost $150 per desk.

In no event shall you be required to spend more than $1,500 if you want to purchase additional SDL Desks above the quantities we provide to you at no cost (as explained in the above paragraph). Any fee paid to us for SDL Desks is fully earned when paid and is not refundable under any circumstances.

You must install and utilize the SDL Desks according to the Space Identity Guidelines diagram we provide to you detailing the interior design elements of your franchised center.

Microsite Set-up Fee

We will assign you an Eye Level Learning Center microsite upon execution of the Franchise Agreement for the purposes of marketing your Learning Center. There is a one-time Eye Level set up charge of $100 to have a microsite. This fee is fully earned when paid and is not refundable under any circumstances.

Training

Training for up to two members of the management team to our New Franchisee Training including yourself (or if you are an entity, your Operating Principal), is included in the initial franchise fee. Training for additional persons even if such training occurs subsequently for new members of your management team, will cost $150 per day, per person. (See Item 11 for further information on training). This fee is not refundable under any circumstances.

There are no other fees payable to us before you open for business.

ITEM 6

OTHER FEES

Type of Fee (See Note 1)	Amount	Due Date	Remarks
Continuing Service and Royalty	Enrollment Royalty Fee: For each reporting month, $15 times the number of newly enrolled students. Monthly royalty will range from	By the 20th day of the month based on Subject-Students enrolled in the previous month.	Through Electronic Funds Transfer ("EFT"), we will debit your account each month. We currently debit franchisee accounts on the 20th or on the next business day, but we have the right to change that date in our discretion. A "Subject-Student" means one Tuition Paid student enrolled in one Authorized

Type of Fee (See Note 1)	Amount	Due Date	Remarks
	$33 -$42 per Subject-Student and will be based on the total number of Subject- Students enrolled in one Authorized Curricula subject A Minimum monthly royalty of $1,500 applies after one year from the date you enroll the first Subject-Student.		Curricula subject, such as math or English, for all or part of a given month. If a person is enrolled in two Authorized Curricula subjects, such as math and English, that person shall be counted as two Subject-Students. The Operations Manual defines who is a "Tuition Paid" student and who is a qualified "Drop Student" in order to determine applicable royalties. The Operations Manual also defines the qualified Booklet Allowance that will be provided based on qualified enrollments. Monthly Royalty and Booklet Allowance are pro-rated based on the number of study weeks a Subject-Student attends per month. Those details are explained in our Operations Manual. (See Note 2)
Growth Incentive	We will issue a Continuing Service and Royalty credit of $1,000 to you if you enroll 30 subject students within 90 days from the date of the first subject student enrollment. We will issue an additional Continuing Service and Royalty credit of $1,000 to you if you enroll 80 subject students		You may qualify for both credits or one.

Type of Fee (See Note 1)	Amount	Due Date	Remarks
	within 180 days from the date of the first subject student enrollment.		
Summit of Math Continuing Service and Royalty Fee	Monthly royalty will range from $10 -$15 per Subject-Student and will be based on the total number of Subject- Students enrolled in one Authorized Curricula subject	By the 20th day of the month based on Summit of Math students enrolled in the previous month.	Through Electronic Funds Transfer ("EFT"), we will debit your account each month. We currently debit franchisee accounts on the 20th or on the next business day, but we have the right to change that date in our discretion. You must offer Summit of Math at your Learning Center, in addition to the Eye Level Math and Eye Level English curricula. A student must be enrolled in the Eye Level Math Subject to register for Summit of Math.
Brand Development Fund ("Fund")	$1.00 per Subject-Student	By the 20th day of the month based on Subject-Students enrolled in the previous month	See Item 11 for more information regarding this Fund. Will not be applied to Summit of Math Students.
Cooperative Advertising Programs ("Cooperative")	We may establish a local marketing cooperative for Eye Level Learning Centers in your area. The owners of the Cooperative will determine by vote how much you will be required to contribute to the Cooperative and when your contribution will be due.	As the Cooperative directs	See Item 11 for more information about the Cooperative under the heading "Cooperative Advertising Programs." (See Note 3)

Type of Fee (See Note 1)	Amount	Due Date	Remarks
	Maximum - $1,000 and only if your Learning Center is part of the local marketing cooperative initiative.		
Additional Training or Assistance	Currently, we charge $150 per person, per day plus expenses for training at our location, and $300 per person, per day plus expenses for training at your Learning Center.	When training or assistance begins	(See Note 4)
Transfer	$5,000	Before transfer completed	No charge if Franchise Agreement is transferred to a company that you control.
Transfer Training Fee	$1,000	Before transfer completed	Only payable if you are purchasing an existing Eye Level Center. The fee is non-refundable but will be credited on your statement towards the initial franchise fee of $10,000 if you are approved as a franchisee. You will pay $1,000 for the Transfer Training Fee, $10,000 for the Initial Franchise Fee, and then you will receive a $1,000 credit on your statement once you begin operating the center.
Renewal Fee	$1,000 (at the time of renewal)	When the agreement is renewed	
Additional Instructional Materials	$1.00 per Booklet for exceeding Instructional Materials for students.	As incurred	You must purchase all Instructional Materials from us or our designated affiliate, vendors, or suppliers. (See Note 5)

Type of Fee (See Note 1)	Amount	Due Date	Remarks
Testing	Our costs of testing	When billed	This covers the costs of testing new products or inspecting new suppliers you propose.
Computer System, Maintenance, and Support	Our costs of service if we decide to implement.	As incurred	(See Note 6)
Audit	Cost of inspection or audit	15 days after billing	Due if you do not give us reports, supporting records, or other required information or understate Royalties or Fund contributions by more than 2%.
Administrative fee for late payment and underpayment	1.5% on the overdue amount each month or $500, whichever is higher.	Late Fee for month will be due 20th of the following month.	We must receive payment by the 20th of each month to avoid this fee. Due on all overdue amounts. (See Note 7)
Late or Inaccurate Report Fee	$200 per month for the first month you fail to submit a complete and accurate report on time; $500 for the second month that this occurs; with increments of $500 per month thereafter.	As incurred	This fee is payable to us via EFT. May also apply if renewal of your franchise agreement is late due to you not providing us requested information or failure to provide fully and accurately all student information in our Key and Manager system.
Non-Compliance Fee	$500 per month for each non-complying incident.	On the 20th of the month following each non-complying incident	Applies if you receive a written notice of non-compliance. Must pay $300 for each non-compliance issue stated in notice until cured. May also apply if we issue a non-compliance letter related to renewal of your Franchise Agreement for failure to provide us requested information pertaining to the renewal.

Type of Fee (See Note 1)	Amount	Due Date	Remarks
Maintenance and Refurbishing of Learning Center	You must reimburse our expenses.	15 days after billing	If, after we notify you, you do not undertake efforts to correct deficiencies in the Learning Center appearance, then we can undertake the repairs and you must reimburse our costs.
Insurance	You must reimburse our costs.	15 days after billing	If you fail to obtain insurance, we may obtain insurance for you and you must reimburse us.
Insufficient Funds Processing Fee	$100	As incurred	You must pay an Insufficient Funds Processing Fee if you do not pay your royalties or any other amounts owed to us by the time we debit your account via EFT each succeeding month.
Management Fee	$500 per person per day (plus costs and expenses).	As incurred	Due when we (or a third party) manage the Learning Center after your or your managing owner's death or disability or after your default or abandonment.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Due when you do not comply with the Franchise Agreement or expenses we incur due to your breach or default.
Indemnification	Will vary with circumstances	As incurred	You must reimburse us if we are held liable for claims from your Learning Center's operation.
Background Checks	Determined by vendor	As arranged	We impose the requirement, but you pay vendors directly. (See Note 8)
Relocation fee	The cost of new signage	Before relocation	There is no relocation fee, but you must pay the cost to affix exterior signage that we must approve in advance at the relocated center; you must also pay the cost to remove the signage at the previous location.
Liquidated Damages	If we terminate your Franchise Agreement for cause, or if you terminate it without cause, you agree to pay us liquidated damages equal to the monthly average Royalty Fees owed to us during the twelve	Upon termination	Payable upon notice to us that you will exercise the Liquidated Damages option in the Franchise Agreement without cause.

Type of Fee (See Note 1)	Amount	Due Date	Remarks
	(12) months of operation preceding the effective date of termination multiplied by (a) 6 (being the number of months), or (b) the number of months remaining in the term of the Franchise Agreement had it not been terminated, whichever is less.		
Credit Card Fee	5% surcharge on any fee paid by credit card	When paid	5% of the fee amount paid.
Administrative Addendum Fee	$250	As incurred	Payable to us, to cover our administrative costs, if you request an addendum to your Franchise Agreement during the Term and we agree to the requested addendum.
Handling Fee Charge for Boxes Shipped to you.	$4.00 per box shipped 25 pounds or more; $3.00 per box shipped less than 25 pounds.	As incurred	Due to our own increased costs related to shipping boxes to you of Eye Level materials. (See Note 9)

NOTES

[1] All fees are nonrefundable and uniformly imposed. Unless otherwise noted, all fees are payable to us. All costs and fees set forth in Item 6 are current as of the issuance date of this Franchise Disclosure Document. However, we reserve the right to increase or decrease, in our discretion, the amounts of such cost and fees. The current amount of all costs and fees shall be set forth in our Operations Manual.

[2] The amount of monthly royalty you pay will be based on the total number of Subject-Students you have enrolled in a given month at your Learning Center for each Authorized Curricula subject. The range is from $42 per Subject-Student if your total enrollment for a given month is less than 40 subject-students to $33 per Subject-Student if your total enrollment in a given month is 200 or more in an Authorized Curricula subject. The full schedule of our sliding scale royalty rates is contained in our Operation Manual. Monthly

oyalty of Summit of Math will range from $15 -$10 per Subject-Student and will be based on the total number of Subject- Students enrolled in one Authorized Curricula subject.

For any month in which noncompliance is detected, the royalty invoice for that month will be $36.00 per Subject-Student. If you have two or more Franchise Agreement violations during the initial term (3 years), then the royalty will be fixed at $36.00 per Subject-Student, per month for the remainder of the initial term regardless of satisfaction of the above criteria. If you have three or more Franchise Agreement violations during a renewal Franchise Agreement term (5 years), then the royalty will be fixed at $36 per Subject-Student, per month for the remainder of the renewal term, regardless of satisfaction of the above criteria.

A Minimum Royalty of $1,500 will be charged for Learning Centers after the first year from the date you enroll the first Subject-Student (the 13th reporting month). If your royalty amount is $1,500 or greater, however, you will be charged your actual royalty based on the number of Subject-Students enrolled at the Learning Center. You shall continue to pay this Minimum Royalty amount each month thereafter if the actual royalty based on the number of Subject-Students is less than $1,500. If the actual royalty is $1,500 or greater, you will be charged either $36.00 per Subject-Student (if you have not passed the Probationary Period requirements) or $32.00 per Subject-Student (if you have passed the Probationary Period requirements and maintain them). The royalty from Summit of Math will also be included in accessing the Minimum Royalty or the actual royalty you will be charged each month.

If the Learning Center is being transferred to a new owner and the monthly royalty at the time of transfer is less than $1,500, the minimum royalty amount will take effect after one year of operation.

Free Trial Periods. Free Trials may apply only to New and Transfer Eye Level Learning Centers for the six-month period from opening or taking over the Learning Center. A student may try one free trial per Subject Offering for a period of two weeks. No royalty will be charged for free trials, provided the information is entered correctly in Key & Manager. In addition, we will not charge the cost for Booklet use during the Free Trial period, although we will charge for the cost of shipping these Booklets to you.

Free Enrollment Periods. New and Transfer Eye Level Learning Centers will be allowed to offer free enrollment during the first three months of operation. You will not be charged an Enrollment Royalty Fee for the first three months of operation if you choose to participate in this program. The Operations Manual contains more details about when the Enrollment Royalty Fee is initially charged and also after a student has been absent from the Learning Center.

Before your Learning Center opens, you must sign and deliver to us the documents we require to authorize us to debit your business checking account automatically (Electronic Funds Transfer "EFT") for the Royalty, Fund contributions, and other amounts due under the Franchise Agreement and for your purchases from us and/or our affiliates. We will debit your business checking account via EFT for these amounts on their due dates. Funds must be available for EFT withdrawal. We may require payment other than by automatic debit, and you must comply with our payment instructions.

If any state imposes any sales or use taxes on the royalty fees, then we have a right to collect this sales and use tax from you.

[3] These Learning Centers will include Eye Level Learning Centers operated in the Advertising Coverage Area by us or our other affiliates. Each Eye Level Learning Center operating in the Advertising Coverage Area will have one vote.

[4] We may charge you for New Franchisee Training if more than two people, including yourself, attend either type of training (even if such training occurs subsequently for newly hired personnel). We may charge you for on-going mandatory attendance of training courses and for additional or special assistance or training you need (at our discretion) or you request.

You may be asked to pay a reasonable registration fee for our annual conference of franchisee owners. Attendance is strongly encouraged but not required.

You are responsible for all related food, travel, lodging, any other incidental expenses, and personnel expenses (if applicable), that you incur for any training we require or you request (See Item 7 for initial training costs estimate; see item 11 for more detail on all trainings).

[5] Math Booklets: You are entitled to a Math Booklet Allowance equivalent to a total of 20 Math Booklets per month per Subject-Student at no additional charge besides shipping costs for Subject-Students studying a full month. A Subject-Student's Booklet Allowance will be modified accordingly if they are studying for only part of the month (5 Math Booklets per week). The following equivalencies apply in calculating the Math Booklet Allowance:

- 2 Word Problem Booklets are equivalent to 1 Math Booklet
- 4 Level Tests L-24- L32 (LT2) are equivalent to 1 Math Booklet
- 8 Level Tests (L01 - L23 ((LT1) are equivalent to 1 Math Booklet

In reaching the allowance of 20 Math Booklets or equivalents, Math Booklets will be considered first, Word Problems second, LT2 third, and LT1 last.

English Booklets: You are entitled to an English Booklet Allowance equivalent to a total of 12 English Booklets) per month per Subject-Student at no additional charge besides shipping costs for Subject-Students studying a full month. The Subject-Student's Booklet Allowance will be modified accordingly if they are studying for only part of the month (3 English Booklets per week). The following equivalencies apply in calculating the English Booklet Allowance:

- 1 Level Test (LT) is equivalent to 1 English Booklet
- 2 Comprehensive Tests (CT) are equivalent to 1 English Booklet
- 4 Achievement Tests (AT) are equivalent to 1 English Booklet
- 1 Alphabet Reader (AR) is equivalent to 1 English Booklet
- 1 Phonics Reader (PR) is equivalent to 1 English Booklet

In reaching the maximum allotment of 12 English Booklets or equivalents, English Booklets will be considered first, CT second, AT third, and AR and PR last.

More detail, with several examples of calculating both the Math and English Booklet Allowance, is contained in our Operations Manual.

There will be a charge of $1.00 per booklet that exceeds the amounts described directly above. You cannot order more than 24 booklets per month per Subject-Student for Math (6 booklets per study week) and 16 booklets per month per Subject-Student for English (4 booklets per study week). See Item 5 for additional information regarding the Booklet Security Deposit and return of this deposit upon termination or expiration (without renewal).

[6] We, our affiliates or a third party may charge you a fee for any proprietary software (currently, Key & Manager) or technology that we, our affiliates, or a third-party license to you and for other maintenance and support services that we or a third party might provide in the future; we do not currently provide these services but may charge you for them if we choose to provide them in the future. At this time there is no charge for these services, but we reserve our right to charge upon notice. (See Item 11, "Computer System").

[7] You must pay a late fee and underpayment fee (the "Administrative Fee") if you do not pay your royalties or any other amounts owed to us by the time we debit your account by EFT each succeeding month. The amount of the Administration Fee is subject to change in our discretion and is included in our Operations Manual.

The Administrative Fee is due when we debit your account by EFT, and we will charge you an Administrative Fee each month until you pay the past due amounts you owe us. We have the option to require you to sign a promissory note for past due amounts. After signing a promissory note, you must pay each month's royalty and the promissory note payment on time. We will charge interest on the outstanding balance due on the promissory note.

The highest interest rate allowed by law for Late Payments in the State of California is 10% annually.

[8] You must have your fingerprints taken on Form FD-258, the fingerprinting card used by the FBI, to conduct a criminal background check. We will provide this form to you along with detailed procedures to properly fill the card out during the qualification process. You need to take it to a local governmental agency to obtain your full set of fingerprints, and mail to the FBI to conduct the criminal background check. You must authorize the results of the background check to be mailed directly to Daekyo America. The fee to process the fingerprinting card is $18. Additional fees may apply at the local level to have your fingerprints taken. If we have not received the FBI background check prior to signing the franchise agreement, we may postpone the signing of the franchise agreement until after we have received the background check. You must also perform a criminal background check before employing all assistants 18 years or older so you can determine the suitability of that individual to work in close proximity to children. At a minimum, the background check must consist of the following verifications: social security trace, county criminal search, and sexual offenders database search. Daekyo has a preferred vendor to conduct the background checks of your employees, but you are under no obligation to use this vendor. You must pay all costs associated with performing background checks for your employees.

[9] In addition to the handling fee described in the Item 6 chart, we will bill you for shipping costs on your monthly statement that our carriers charge us. The price for shipping boxes to you depends on the weight of the box shipped and the shipping zone destination. The current price schedule for shipping boxes as of March 2025 is listed in our Operations Manual. Our carriers estimate price increases of 5 – 6% in 2025, and we have the right to pass those shipping costs on to you whenever a rate increase becomes effective on us.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Paid
Initial Franchise Fee (See Note 1)	$1,000	Upon signing Franchise Agreement	Lump Sum	Us
Microsite Set-Up Fee	$100	Upon opening for business	Lump Sum	Us. Each Learning Center is assigned a microsite used for marketing and promoting the Learning Center.
Booklet Security Deposit	$3,000	Upon signing Franchise Agreement	Lump Sum	Us. See Item 5 for how the Booklet Security Deposit is applied at the end of the franchise relationship.
Rent (See Note 2)	$1,500 - $4,700	As Incurred	As required by Landlord	As Required by Landlord.
Lease Security Deposit, If Required (See Note 2)	$1,500- $9,400	As Required by Landlord	As Required by Landlord	As Required by Landlord. This deposit may be refundable in accordance with the terms of your lease.
Leasehold Improvements (See Note 3)	$18,000-$60,000	As Incurred	Before Opening	Outside Suppliers
Furniture, Fixtures, Equipment, Signage and Supplies (see Note 4)	$7,000 - $8,000	As Incurred	Before Opening	Outside Suppliers/ Us. Self-Directed Learning Desks must be purchased directly from us. See item 8.

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Paid
Professional Fees	$1,000 - $3,000	As Incurred	Before Opening	Lawyers, Accountants, and other Advisors
Design and Architect Fees	$1,000 - $2,000	As Incurred	Before Opening	Architects and Interior Design firms
Computer and Tablets for Eye Level Center (See Note 5)	$2,000 to $3,000	As Incurred	Before Opening	Outside Suppliers and Us
Business License and Permits	$100 to $200	As Incurred	Before Opening	Government Agencies
Criminal Background Check	$18 to $50	As Incurred.	Before Opening	Outside Vendor
Grand Opening Marketing (See Note 6)	$4,000	As Incurred	Before Opening	Advertising Sources
Insurance – 12 months (See Note 7)	$1,050 to $2,200	As Incurred	Before Opening	Insurance Company
Payroll Cost for Employees (3 Months) (See Note 8)	$1,000 - $4,000	As Incurred	Before Opening	Employees
Internet and Telephone System (See Note 9)	$200-$300	As Incurred	Before Opening	Outside Vendor
Additional Funds – 3 months (See Note 10)	$7,500 to $27,600	As incurred	Before Opening	Employees, vendors etc.
TOTAL ESTIMATED INITIAL INVESTMENT (See Note 10 and 11)	$49,968 to $133,200			

All payments are nonrefundable unless otherwise noted.

NOTES

[1] We describe the initial franchise fee and Initial Booklet Deposit in Item 5. We will also provide you with an initial opening kit at no charge (shipping fee included) containing Instructional materials (including initial booklets), brochures, and other materials for use in operating the Learning Center. See Item 5 for explanation of the Initial Booklet Deposit and how that is applied at the end of the franchise relationship.

[2] We may provide a rental subsidy, up to $500 per month for the first four months beginning when you enroll your first Subject-Student. You must be in full compliance with the Franchise Agreement to receive the rental subsidy. You must also sign our Rental Subsidy Addendum (see Exhibit 7 to the Franchise Agreement). The rental subsidy applies only if you are opening a New Center.

We may provide an additional rental subsidy, Rental Subsidy 2, up to $500 per month for the first four months, if your center is open and enrolls the first Subject-Student within 240 days from the effective date of the Franchise agreement. You must be in full compliance with the Franchise Agreement to receive the rental subsidy. You must also sign our Rental Subsidy Addendum (see Exhibit 7 to the Franchise Agreement). The rental subsidy applies only if you are opening a New Center.

This estimate includes the first month's rent. An Eye Level Learning Center occupies approximately 900 to 1200 square feet of space. We will not accept a location where the lease term is less than three years, the space is less than 600 square feet, or you are unable to affix one of our exterior signs. We will not permit any activity other than the operation of an Eye Level Learning Center for any site we approve. You may not use or permit the use of the site we approve for any other purpose or activity at any time without first obtaining our written permission. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors and could be considerably higher in large metropolitan areas. The first month's rent will also depend upon whether your landlord shall require a security deposit. Eye Level Learning Centers must be located in strip shopping centers, shopping malls, free-standing units, and other venues in downtown commercial areas and in residential areas.

We may, in our sole discretion, allow you to begin operations in a temporary space if permanent space in your area is especially difficult to find, and you have proven to us good-faith efforts to find a permanent space. If we do permit a temporary space, it will be for a time period not to exceed 12 months and you must sign an addendum agreeing to certain conditions for granting this approval.

[3] Leasehold improvement costs include floor covering, wall treatments, ceilings, painting, window coverings, electrical, carpentry, and similar work, and architect's and contractor's fees. Your actual costs will depend on the site's condition, location, and size; the demand for the site among prospective lessees; the site's previous use; the build-out required to conform the site for your Learning Center; and any construction or other allowances the landlord grants.

[4] You will pay the full cost of your exterior signage, including initial installation, ongoing maintenance and repairs, electricity if it is illuminated, and the cost to remove it if you relocate or once the franchise relationship ends for any reason. The specifications for exterior signage are explained in our Operations Manual.

[5] The Computer System estimate includes purchases as follows: one computer for the Eye Level Math Online and/or Summit of Math program with a headset, one computer for the Eye Level Online English program with headset, and one computer (laptop or desktop) for Key and Manager (center management).

[6] You must spend at least $4,000 on center opening marketing for your Learning Center during the first six months your Center is open (or during the first six months you assume operations of a Transfer Center).

You may spend more than that amount but are not required to do so. We may, in our discretion, consider pre-opening marketing activities for a New Center as part of the $4,000 you must spend on grand opening marketing. Further details of what may and may not be included towards the $4,000 spend requirement in grand opening marketing activities are included in our Operations Manual.

For New and Transfer Centers, we may reimburse you for up to $1,000, the Center Opening Support Subsidy, for center-opening marketing expenses, provided you spend on certain marketing activities that we preapprove. The Social Media Marketing will be conducted by us during the learning center's pre-opening, Grand opening, and Post- grand opening (2 months after the Grand opening) phases.

[7] You must obtain and maintain certain types and amounts of insurance (see Item 8). Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, number of employees, square footage, location, business contents, and other factors bearing on risk exposure. The estimate contemplates insurance costs for 12 months.

[8] You will determine when to hire employees and what salary to pay them. Your payroll costs will depend on many factors such as the number of employees you hire and the prevailing wage rate. This figure is an estimate, and we cannot guarantee that you will not incur greater payroll expenses.

[9] We will require you to furnish the internet service and telephone service at the center. The phone service should be able to store the message and should be able to forward the call to an alternative/secondary phone number. The estimated low and high costs include a one-time initial fee for the equipment, plus a monthly fee to continue using the service.

[10] This is an estimate of the additional funds you will need during the initial period of operation, which we define as three months from the opening of the Learning Center.

[11] We relied on our and our predecessors and parent company's business experience to compile these estimates.

We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral and lending policies of financial institutions from which you request a loan.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Learning Center according to our System Standards. System Standards may regulate, among other things, the types, models, and brands of fixtures, furniture, equipment, furnishings, and signs (collectively, "Operating Assets"); products and supplies you must use in operating the Learning Center; and designated and approved suppliers of Operating Assets, Instructional Materials and other items.

Required Purchases from Us and Designated Affiliates

1. Instructional Materials. We will be the only suppliers of Instructional Materials and you must buy Instructional Materials during the franchise term only from us and our designated affiliates. We restrict your sources of Instructional Materials in order to protect our trade secrets and copyrights, assure quality, assure a reliable supply of products that meet our standards, control usage of the Marks by third parties, and monitor the content and sale of these items.

Math Booklets: You are entitled to a Math Booklet Allowance equivalent to a total of 20 Math Booklets per month per Subject-Student at no additional charge besides shipping costs for Subject-Students studying a full month. A Subject-Student's Booklet Allowance will be modified accordingly if they are studying for only part of the month (5 Math Booklets per week). The following equivalencies apply in calculating the Math Booklet Allowance:

- 2 Word Problem Booklets are equivalent to 1 Math Booklet.
- 4 Level Tests L-24 - L32 (LT2) are equivalent to 1 Math Booklet
- 8 Level Tests (L01 - L23 ((LT1) are equivalent to 1 Math Booklet

In reaching the allowance of 20 Math Booklets or equivalents, Math Booklets will be considered first, Word Problems second, LT2 third, and LT1 last.

English Booklets: You are entitled to an English Booklet Allowance equivalent to a total of 12 English Booklets per month per Subject-Student at no additional charge besides shipping costs for Subject-Students studying a full month. The Subject-Student's Booklet Allowance will be modified accordingly if they are studying for only part of the month (3 English Booklets per week). The following equivalencies apply in calculating the English Booklet Allowance:

- 1 Level Test (LT) is equivalent to 1 English Booklet
- 2 Comprehensive Tests (CT) are equivalent to 1 English Booklet
- 4 Achievement Tests (AT) are equivalent to 1 English Booklet
- 1 Alphabet Reader (AR) is equivalent to 1 English Booklet
- 1 Phonics Reader (PR) is equivalent to 1 English Booklet

In reaching the maximum allotment of 12 English Booklets or equivalents, English Booklets will be considered first, CT second, AT third, and AR and PR last.

More detail, with several examples of calculating both the Math and English Booklet Allowance, is contained in our Operations Manual.

There will be a charge of $1.00 per booklet that exceeds the amounts described directly above. You cannot order more than 24 booklets per month per Subject-Student for Math (6 booklets per study week) and 16 booklets per month per Subject-Student for English (4 booklets per study week). See Item 5 for additional information regarding the Booklet Security Deposit and return of this deposit upon termination or expiration (without renewal).

2. Self-Directed Learning Desks.

For a New Learning Center, we will provide at no cost up to 20 SDL Desks for your approved location as space permits. For a Transfer Learning Center, we will provide up to 10 SDL Desks at no cost as space permits. Additional SDL Desks will cost $150 per desk. This cost is included in the estimate for furniture in Item 7.

In no event shall you be required to spend more than $1,500 if you want to purchase additional SDL Desks above the quantities we provide to you at no cost (as explained in the above paragraph). Any fee paid to us for SDL Desks is fully earned when paid and is not refundable under any circumstances.

You must install and utilize the SDL Desks according to the Space Identity Guidelines diagram we provide to you detailing the interior design elements of your franchised center.

In the case of Operating Assets and items other than Instructional Materials and Self-Directed Learning Desks, suppliers could, at our option, be limited to us, our affiliates, and/or other specified exclusive sources, in which case you would have to buy such Operating Assets and other items only from us, our affiliates, and/or the other specified exclusive sources at the prices we or they decide to charge. We have the absolute right to limit the suppliers with whom you may deal. Some officers of our company own an interest in us and in our parent. Except for those interests, none of our officers owns an interest in any suppliers to our franchisees.

We will identify all designated and approved suppliers in the Operations Manual or other written communications. You cannot be a supplier to other franchisees. There are no other goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or real estate for the Learning Center that you currently must buy or lease from us (or an affiliate) or designated suppliers. Any purchases from us and our affiliates, whether required or voluntary, generally will be at wholesale prices.

To maintain the quality of the goods and services that Eye Level Learning Centers sell and our system's reputation, we may condition your right to buy or lease goods and/or services (besides those described above that you may obtain only from us, our affiliates, and/or other specified exclusive sources) on their meeting our minimum standards and specifications and/or being acquired from suppliers that we approve. We will formulate and modify standards and specifications based on our franchise owners' experience in operating Eye Level Learning Centers and based on research and development conducted by us and our affiliates. Our standards and specifications may impose minimum requirements for production, performance, reputation, prices, quality, design, and appearance. Our Operations Manual or other communications will identify our standards and specifications. We will notify you and, where appropriate, the suppliers of those specifications and standards. There might be situations where you can obtain items from any supplier who can satisfy our requirements and, therefore, would be an approved supplier.

If we institute any type of restrictive sourcing program and you want to use any item or service that we have not yet evaluated or to buy or lease from a supplier that we have not yet approved or designated, you first must send us sufficient information, specifications, and samples so that we can determine whether the item or service complies with System Standards or the supplier meets approved supplier criteria. We may charge you for our reasonable costs for the evaluation and testing (see Item 6) and will decide within a reasonable time (no more than 30 days). We will periodically establish procedures for your requests and may limit the number of approved items, services, and/or suppliers as we think best.

Supplier approval might depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers to obtain better prices and service, and/or a supplier's willingness to pay us, our affiliates and/or our system for the right to do business with our system. We and our affiliates have the right to receive payments from suppliers on account of their actual or prospective dealings with you and other franchise owners and to use all amounts that we and our affiliates receive without restriction (unless we and our affiliates agree otherwise with the supplier) for any purposes we and our affiliates deem appropriate. Supplier approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the supplier meets our standards. If it does not, we may revoke our approval by notifying the supplier and you in writing. We have no obligation to approve any request for a new supplier, product, or service. Evaluation of a supplier depends on a number of factors which may vary depending on the individual circumstances; therefore, the criteria utilized may change on a case-by-case basis. Upon request, we may, but are not obligated to, discuss with you the criteria we utilized to evaluate a particular supplier, in our sole discretion.

Insurance. Besides these purchases or leases, you must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations. You currently must have comprehensive general liability insurance, including products liability coverage, with a combined single limit for bodily injury and property damage liability in the minimum of $1,000,000 per occurrence and $2,000,000 aggregate.

You must also purchase cyber security insurance to protect against computer breaches, viruses, data theft and hacking into your computer system at the Learning Center. We estimate the cost for a cyber security policy to range from $250 - $1,000 per year and that cost is included in the Item 7 table under "Insurance".

You must also purchase any other coverage required by law or your lease. Premiums depend on the insurance carrier's charges, terms of payment, and your history. All insurance policies must contain a separate endorsement naming us and our affiliates as additional insureds using ISO form CG2029 or an equivalent endorsement (no blanket additional insured language is acceptable) and must be written by an insurance carrier accepted by us in writing. You must submit a copy of the certificate of insurance (and also a copy of the renewed certificate each year) to us. No insurance policy may be subject to cancellation, termination, non-renewal, or material modification except upon at least thirty (30) days' prior written notice from the insurance carrier to us. We may increase or otherwise modify the minimum insurance requirements upon thirty (30) days' prior written notice to you, and you must comply with any modification. We may obtain insurance coverage for you if you fail to do so, at your cost. Defense costs under the policy cannot erode policy limits.

If you will be engaging in any construction, renovation or build-out of your Learning Center, either you or your third-party contractor must have in force certain insurance for the duration of the project. Required insurance includes Commercial General Liability insurance, Worker's Compensation and Employer's Liability insurance in the amounts listed above, as well as Builder's Risk insurance in an amount approved by us.

Almost every state requires you to purchase workers' compensation insurance for employees of your Learning Center. Whether or not your state requires you to obtain workers' compensation insurance, Daekyo will require you to obtain and have proof that you have this type of insurance.

We also strongly encourage you to purchase sexual misconduct liability insurance for you and your co-workers.

Advertising Materials. Before you use them, you must send us for review samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. If you do not receive written disapproval within five days after we receive the materials, they are deemed to be approved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

Computer Hardware and Software. You must purchase designated computer hardware and software for use at the Learning Center. Please see Item 11 of this Disclosure Document for a detailed description of those computer requirements and Item 7 for an estimate of the costs.

Learning Center Development. You are responsible for developing the Learning Center. We will give you mandatory and suggested specifications and layouts for an Eye Level Learning Center, including requirements for dimensions, design, image, interior layout, decor, Operating Assets, and color scheme. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act ("ADA") or similar rules governing

public accommodations for persons with disabilities. You must prepare a site survey and all required construction plans and specifications for the Learning Center's site and make sure that they comply with the ADA and similar rules, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. We must review and approve all final plans and specifications before you begin constructing the Learning Center and all revised or "as built" plans and specifications during construction. Our review is only to ensure your compliance with our design requirements. We may inspect the Learning Center during its development.

Learning Center Site. The Learning Center must be at a site that we approve. We will not accept a location where the lease term is less than three years, the space is less than 600 square feet, or you are unable to affix one of our exterior signs. We will not permit any activity other than the operation of an Eye Level Learning Center for any site we approve. You may not use or permit the use of the site we approve for any other purpose or activity at any time without first obtaining our written permission. We have the right to approve the Learning Center's lease or sublease and to require that it include certain provisions (listed in Section 2.B. of the Franchise Agreement), including our right to receive an assignment of the lease to the Learning Center's site if the franchise is terminated or not renewed or if you lose possession because of your default under the lease. We will allow you to relocate the Learning Center to a new site that we approve if your lease expires or is terminated without your fault, or if the existing site is destroyed, condemned, or otherwise rendered unusable.

Collectively, the purchases and leases described above are approximately 50% of your overall purchases and leases in establishing the Learning Center and 20% of your overall purchases and leases in operating the Learning Center. During fiscal year 2025, our revenues from franchisee required purchases from us were approximately $151,813.08 or 3.36 % of our total revenues of $4,512,706.56. Neither we nor any of our affiliates derived any revenue as a result of any other required purchases or leases during 2025.

There currently are no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price terms). We do not provide material benefits to you (for example, renewal or granting additional franchises) for using designated or approved sources or your purchase of particular products or services. There are no approved suppliers in which any of our officers owns an interest.

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	Sections 2A and B of Franchise Agreement	Items 7, 8, 11, and 12
(b) Pre-opening purchases/leases	Sections 2C, D, and E and 8 of Franchise Agreement	Items 5, 7, 8, and 11

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
(c) Site development and other pre-opening requirements	Sections 2C, D, E, and F of Franchise Agreement	Items 7, 8, and 11
(d) Initial and ongoing training	Sections 4A and B of Franchise Agreement	Items 6, 7, and 11
(e) Opening	Section 2F of Franchise Agreement	Item 11
(f) Fees	Sections 2G, 3, 4A, B, and C, 9, 11B, 12C(7), 12E(2), 14C, 16D, and 17C of Franchise Agreement; Section 2 of Transfer Training Agreement	Items 5, 6, 7, 8, 11, and 17
(g) Compliance with standards and policies/Operating Manual	Sections 4C and D and 8 of Franchise Agreement	Items 8 and 11
(h) Trademarks and proprietary information	Sections 2E, 4D, 5, and 6 of Franchise Agreement	Items 13 and 14
(i) Restrictions on products/services offered	Sections 1D, 1E, 8C and 9E of Franchise Agreement	Items 8, 11, 12, and 16
(j) Warranty and customer service requirements	None	None
(k) Territorial development and sales quotas	Section 1E of Franchise Agreement	Item 12
(l) On-going product/service purchases	Sections 2D and E and 8 of Franchise Agreement	Items 6 and 8
(m) Maintenance, appearance and remodeling requirements	Sections 8 and 13A of Franchise Agreement	Items 8, 11, 16, and 17
(n) Insurance	Section 8F of Franchise Agreement	Items 7 and 8
(o) Advertising	Section 9 of Franchise Agreement	Items 6, 7, 8, and 11

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
(p) Indemnification	Section 16D of Franchise Agreement	Item 6
(q) Owner's participation/ management/staffing	Sections 1C, 4A, and 8E of Franchise Agreement	Items 11 and 15
(r) Records/reports	Section 10 of Franchise Agreement	Item 11
(s) Inspections/audits	Section 11 of Franchise Agreement	Items 6 and 11
(t) Transfer	Section 12 of Franchise Agreement	Item 17
(u) Renewal	Section 13 of Franchise Agreement	Item 17
(v) Post-termination obligations	Sections 12(c) and 15 of Franchise Agreement	Item 17
(w) Non-competition covenants	Sections 7, 12C(14), 12G, and 15D of Franchise Agreement	Items 15 and 17
(x) Dispute resolution	Sections 17E, F, G, and H of Franchise Agreement	Item 17
(y) Owner/Shareholder Guarantee	Section 1(c)(4) and Exhibit 3 to Franchise Agreement	Item 15

ITEM 10

FINANCING

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

ITEM 11

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

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

Before you open the Learning Center, we will:

1. Give you our site selection criteria for the Learning Center. The site must meet our criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics.

   We will not accept a location where the lease term is less than three years, the space is less than 600 square feet, or you are unable to affix one of our exterior signs. We will not permit any activity other than the operation of an Eye Level Learning Center for any site we approve. You may not use or permit the use of the site we approve for any other purpose or activity at any time without first obtaining our written permission.

   We will approve or disapprove a location you propose within five days after receiving your description of, and evidence confirming your favorable prospects for obtaining, the proposed site. We will use reasonable efforts to help analyze your market area, to help determine site feasibility, and to assist in designating the location, although we will not conduct site selection activities for you. (Franchise Agreement – Section 2.A.)

2. Approve your Learning Center's lease. You must sign a lease for the premises of your Learning Center within nine months after the effective date of the Franchise Agreement (Franchise Agreement – Section 2.B.) See also "Opening" below in this Item 11 for the one-year requirement to open for business.

   If you do not locate and sign a lease for an acceptable site for the premises of your Learning Center within nine months after the effective date of the Franchise Agreement, we will terminate the Franchise Agreement. (Franchise Agreement – Section 14.B.(2))

3. Give you mandatory and suggested specifications and layouts for an Eye Level Learning Center, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. (Franchise Agreement – Section 2.C.)

4. As discussed in Item 8, identify the Operating Assets, Instructional Materials, and other products and supplies that you must use to develop and operate the Learning Center, the minimum standards and specifications that you must satisfy, and the designated and approved suppliers from whom you must or may buy or lease these items (which may be limited to and/or include us, our affiliates, and/or other specified exclusive sources). (Franchise Agreement – Sections 2.D., 2.E., and 8)

5. Loan you one copy of our confidential Operations Manual, the current table of contents of which is **Exhibit D** to this Franchise Disclosure Document. The table of contents contained in **Exhibit D** includes page numbering devoted to each subject. (Franchise Agreement – Section 4.D.)

6. Advise you on the Learning Center's grand opening advertising program. (Franchise Agreement – Section 9.A.)

7. Train you (or your Operating Principal if you are an entity) and one manager-level employee in the operation of an Eye Level Learning Center and the use of our teaching methods which consist of a series of curriculum Booklets, diagnostic tests, level tests and other devices (collectively, the "Instructional Materials") to assist students' educational advancement. (Franchise Agreement – Section 4.A.) We describe this training in more detail later in this Item.

8. Assign you an Eye Level Learning Center domain name for the purposes of marketing and promoting your Learning Center. (See below in this Item 11 under "Electronic Media")

During your operation of the Learning Center, we will:

1. Advise you regarding the Learning Center's operation based on your reports or our inspections. We also will guide you on standards, specifications, and operating procedures and methods that Eye Level Learning Centers use; purchasing required and authorized Operating Assets, Instructional Materials, and other items and arranging for their distribution to you; advertising and marketing materials and programs; and administrative, bookkeeping, accounting, and inventory control procedures, including prescribing the maximum and/or minimum retail prices which you charge customers for the products and/or services offered and sold (currently we don't have any minimum or maximum price requirements). We will guide you through our Operations Manual, regular announcements and updates via email, or other written materials; by electronic media; by telephone consultation; and/or at our office or the Learning Center. (Franchise Agreement – Section 4.C.)

2. Give you, at your request (and our option), additional or special guidance, assistance, and training. (Franchise Agreement – Section 4) (See Item 6)

3. Continue to loan you one copy of our confidential Operations Manual, which could include audiotapes, videotapes, compact disks, computer software, other electronic media, and/or written materials. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures, and rules ("System Standards") that we periodically require. We may modify the Operations Manual periodically to reflect changes in System Standards. (Franchise Agreement – Sections 4.D. and 8)

4. Issue and modify System Standards for Eye Level Learning Centers. We periodically may modify System Standards, which may accommodate regional or local variations, and these modifications may require you to invest additional capital in the Learning Center and/or incur higher operating costs. (See Item 16) (Franchise Agreement – Section 8)

5. Inspect the Learning Center and observe its operation to help you comply with the Franchise Agreement and all System Standards. (Franchise Agreement – Section 11.A.)

6. Let you use our confidential information. (Franchise Agreement – Section 6)

7. Let you use our Marks. (Franchise Agreement – Section 5)

8. Periodically offer ongoing training opportunities. (Franchise Agreement – Section 4.B.) (See Item 6)

9. Brand Development Fund. We have established a formal Brand Development Fund (the "Fund") for advertising, marketing, and public relations programs, and materials we deem appropriate. As indicated in Item 6, you must contribute $1.00 per Subject-Student to the Fund based on the Subject-Students enrolled at your Learning Center in the previous month and is due on the 20th of each month (See also Section 9.B. of the Franchise Agreement). We will not charge a Brand Development Fund fee for students enrolled in Summit of Math. Eye Level Learning Centers that we and our affiliates own in the United States will contribute to the Fund on the same basis as franchise owners. We have the right to collect for deposit into the Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Eye Level Learning Centers and with whom we have agreed that we will so deposit these allowances.

   We will direct all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and

allocation. The Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce Website, social media sites and/or related strategies; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising; using advertising, promotion, and marketing agencies and other advisors to provide assistance; new product research and development; quality control (including mystery shopper programs which may or may not include call recording); market research; talent fees; working with public relations firms and other advertising, promotion, and marketing activities. The Fund may advertise locally, regionally, and/or nationally in printed materials, on radio or television, and/or on the Internet, whatever we think best. The Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Fund separately from our other funds and not use the Fund for our general operating expenses. However, we may use the Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Fund, the Fund's other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, overhead relating to Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Fund and its programs, including conducting market research; public relations; preparing advertising, promotion, and marketing materials; and collecting and accounting for Fund contributions.

The Fund is not our asset. The Fund also is not a trust. We have a contractual obligation to hold all Fund contributions for the benefit of the contributors and to use contributions only for their permitted purposes (described above). However, we administer the Fund according to our discretion and do not have any fiduciary obligation to you to make expenditures for any particular type of advertising or marketing as long as we use the funds for the general purposes stated above. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises. We will prepare an annual, unaudited statement of Fund collections and expenses and give it to you upon written request. We may have the Fund audited annually, at the Fund's expense, by an independent certified public accountant. We may incorporate the Fund or operate it through a separate entity when we think best. The successor entity will have all of the rights and duties described here.

The Fund is to maximize recognition of the Marks and patronage of Eye Level Learning Centers. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Eye Level Learning Centers, we need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Fund contributions by Eye Level Learning Centers operating in that geographic area or that any Eye Level Learning Center benefits directly or in proportion to its Fund contribution from the development of advertising and marketing materials or the placement of advertising. We may use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Fund. We assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund.

In 2025, we spent one hundred percent (100%) of the Fund on media and promotion costs and expenses. We did not spend any of the Fund on production, administrative expenses or other uses.

We may at any time defer or reduce a franchise owner's Fund contributions and, upon 30 days' prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to franchise owners, and to us and our affiliates, in proportion to their, and our, respective contributions during the preceding 12-month period. (Franchise Agreement – Section 9.B.)

The Franchise Agreement obligates you to vigorously promote the enrollment and retention of students at your Learning Center. All advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. Before you use them, you must send us or our designated agency for review samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. If you do not receive written disapproval within 5 days after we or our designated agency receives the materials, they are deemed to be approved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

Cooperative Advertising Programs

We may designate an advertising coverage area ("ACA") – local or regional – in which 2 or more Eye Level Learning Centers are located to establish a cooperative advertising program ("Cooperative Program"). An ACA is the area covered by the particular advertising medium recognized in the industry. We will require all franchise owners in the ACA to participate. Each Eye Level Learning Center operating in the ACA will have one vote, including those we or our affiliates operate.

We have the power to form, change, dissolve, or merge any Cooperative Program. Cooperative Programs will not operate from any written governing documents. The Cooperative is not required to prepare an annual financial statement. We will make available for your review any records showing payments to and expenses of any Cooperative Program in which you participate. The Cooperative will be operated solely as a conduit for the collection and expenditure of the Cooperative fees for the purposes outlined above. Your Learning Center may not benefit directly or proportionately to its contribution to the Cooperative. No advertising or promotional plans or materials may be used by the Cooperative or furnished to its members without first obtaining our approval. Currently there are no Cooperatives in the System.

Franchise Advisory Council

We may establish a Franchise Advisory Committee that is composed of an appointed body of franchisees for the purpose of providing us with input on a variety of issues related to the Eye Level System. The Franchise Advisory Committee is purely advisory in nature. We maintain all final decision-making authority in all matters presented to the Franchise Advisory Committee. We may change or dissolve the Franchise Advisory Committee at any time.

Computer System

We will assign you an Eye Level email address which you must use for all business related to the Learning Center. We own all Eye Level email addresses that you are permitted to use and have full access to all communications sent and received using those addresses.

You will obtain and use the computer hardware and/or operating software that we periodically specify (the "Computer System"). We may modify specifications for and components of the Computer System. We currently require the following:

- One computer for the Eye Level Math Online and/or Summit of Math program with a headset
- One computer for the Eye Level English Online program with headset
- One computer (laptop or desktop) for Key and Manger (center management)
- Tablet/mobile for Center Director for Diagnostic Tests

Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System. We reserve the right to adopt new technology at any time, which may result in additional fees to you that are not currently known.

You must utilize our center management system from our parent company known as Key & Manager. This application controls the entire job cycle from estimating, scheduling, center operations, dispatching and work orders to invoicing and accounts receivable. The computer requirements to run the Key & Manager application include Windows® 10 or later, MAC® Catalina 10.15 or later operating systems and an Intel® Pentium® 4 processor or later that is SSE3 capable with at least 2 GB of RAM.

To access this web application, you will require broadband internet access and a modern up-to-date browser that is javascript enabled. This web application is compatible with modern browsers such as Mozilla Firefox®, Google® Chrome, Opera®, Microsoft® Edge, and Safari. The application integrates with software including Adobe®, Acrobat®, and Microsoft Excel, and optionally, Microsoft PowerPoint®. Integration with the above software may require the franchise owner to purchase and install the software.

With limited functionality, the Key & Manager web application is also supported with Tablet PC and mobile devices. The minimum requirement for Android™ is 8.0 Oreo and up and for Apple® devices are iOS 12 with at least 2 GB of RAM. All mobile devices require connection to the internet with Google Chrome for Android™ or Safari® for iOS/iPadOS®. Downloadable files from the Key & Manager web application may require access to Excel® (.xlsx, .cvs file formats) and PDF files.

The data you enter into the Key and Manager will be shared with the System. We will have independent and unlimited access to this information. You are obligated to maintain and upgrade the hardware and software during the term of the Franchise Agreement, but we cannot estimate or specify the frequency of these updates. The Franchise Agreement does not limit the frequency and cost of the obligation. There is no cost to you for the use of the Key & Manager System.

Opening

We estimate that it will be 120 days after you sign the Franchise Agreement before you open the Learning Center, but this assumes that you already have a site for the Learning Center or find one shortly after signing the Franchise Agreement. You must sign a lease for an acceptable site within nine months after the Franchise Agreement's effective date, and we may terminate the Franchise Agreement if you fail to sign a lease within this nine-month period. The specific timetable for opening depends on the site's condition; the Learning Center's construction schedule; the extent to which you must upgrade or remodel an existing location; the delivery schedule for equipment and supplies; completing training; and complying with local laws and regulations. You may not open the Learning Center until: (1) we notify you in writing

that the Learning Center meets our standards and specifications; (2) you complete pre-opening training to our satisfaction; (3) you pay the initial franchise fee and other amounts then due to us; and (4) you give us certificates for all required insurance policies.

Subject to the numbered conditions stated directly above and provided you have signed a lease for your site within nine months from the effective date of the Franchise Agreement, you must open the Learning Center within one year from the effective date of the Franchise Agreement. We may terminate the Franchise Agreement if you do not open the Learning Center for business within one year from the effective date, unless we, in our sole discretion, find that mitigating circumstances exist to allow you more time to open for business. (Franchise Agreement – Section 2.F.)

Training

If this is your first Eye Level Learning Center, then before the Learning Center opens, we will train you on operating an Eye Level Learning Center. You (or your Operating Principal if you are an entity) and your Center Director (if your Operating Principal will not be directly operating the Learning Center) are required to attend New Franchisee Training prior to opening. If your Operating Principal will not also serve as the Center Director, then you must also bring your Center Director to New Franchisee Training. We have the right to require you to send a separate (i.e. hired) Center Director if we determine that the franchisee identified to serve in that role is not qualified.

All who are registered for New Franchisee Training must complete a variety of Self-Directed Leaming (i.e. independent online study) requirements to attend New Franchisee Training. The Self-Directed Leaming components must be completed at least a week before the training will begin.

Full attendance at all registered portions is required. If you (or your Operating Principal if you are an entity) or a Center Director cannot complete New Franchisee Training to our satisfaction, we may terminate the Franchise Agreement. (See Franchise Agreement Section 4.A.).

Prior to the Leaming Center opening, we will provide you with introductory online modules, independent learning guidance, and New Franchisee Training (two days). New Franchisee Training is currently held periodically throughout the year at our New Jersey HQ office. After completing New Franchisee Training, you are required to complete the "Self-Directed Leaming 2" modules.

Additional support also will be provided closer to or at the opening of your Leaming Center. Participation in all portions of training is standard for you (or your Operating Principal), though Eye Level may allow some Center representatives to participate in a single portion of the training, provided all prerequisite rules are followed and all other essential requirements have been met.

Additional people beyond the first two franchise representatives may participate in the training experience, upon our approval. The cost will be $150 per day for each additional person, even if such training occurs subsequently for new members of your management team.

You are responsible for all expenses while attending the training, including, but not limited to, costs of transportation, lodging, and meals. (See Item 7.) You must also pay for all travel and living expenses of your Center Director and that your employees incur, including your employees' wages and workers' compensation insurance if you choose to bring other employee(s) to New Franchisee Training.

New Franchisee Training will occur after you sign the Franchise Agreement for a New Learning Center while you are developing plans to open. If you are assuming an existing Learning Center through

transfer, then you must first participate in our New Franchisee Training program before signing our Franchise Agreement. We will charge a cost of $1,000 for up to two attendees for attending New Franchisee Training related to a transfer. However, the training fee will be credited toward the initial franchise fee on the first statement that you receive from us. You will pay the full $10,000 franchise fee upon signing the Franchise Agreement. (See **Exhibit 6** to Franchise Agreement, "Transfer Training Agreement").

You, your Center Director and other employees that we require must complete New Franchisee Training before you may open your Learning Center.

You, your Center Director and other employees that we require must complete New Franchisee Training, and your Center Director are invited to complete Follow-Up Training (6- 8 hours) approximately six to twelve months after your Learning Center first opens for business. This training will include case studies and practical Q & A sessions, and it will be conducted virtually.

We reserve right, at our sole discretion, to conduct all trainings virtually rather than in-person.

The following training chart assumes an in-person schedule. If training is conducted virtually, the hours and sequence may be altered to accommodate an online training schedule. Regardless of whether the training is in-person or virtual, the specific number of training days may increase or decrease depending on our opinion of your experience and needs. In addition, the entire training program is subject to change due to updates in materials, methods, manuals, and personnel without advance notice.

TRAINING PROGRAM

The following chart summarizes the main topics covered during the formal trainings that are provided from signing through the first year of operation. Variations to the program contents may occur as necessary to support the growing and changing needs of the company, the learning centers, and the roles played within them.

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location/ Format
Franchise Orientation Day (FOD) • Introduction of corporate support team • Training purpose and requirements • Business Plan	4-6 hours	0	Virtual

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location/ Format
Self-Directed Learning, Part 1 • Intro to Parent Company • Life is Learning • Curriculum overview and study • Business Planning • Academic Coaching and Self-Directed Learning Handbook • Eye Level University videos	32-50 hours	0	Online Study/ Independent Study
New Franchisee Training • Eye Level philosophy • Curriculum overview • Enrollment process • Lesson planning & goal setting basics • Math and English grading and record keeping • Center Observation • Operations • Marketing • Risk Management • Program orientation delivery practice • Communication role play • Hands-on activities for Key & Manager and our online programs • Daily and weekly class preparation • Grading, recording and progress planning • Day-to-day center operations • Classroom flow and operations • Introduction to Summit of Math	12-15 hours	0	Virtual

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location/ Format
Self-Directed Learning, Part 2 • Intensive Math Training • Eye Level Math Online • Math Comprehensive Test • Intensive English Training • English Comprehensive Test • Math & English Training Essay • Intensive Operation Training	10-12 hours	0	Online Study/ Independent Study
Opening Day Support • Compliance Walk-Through • Review Key & Manager (Center management) • Review marketing plan • Review online programs • Review Center Director's role • Review diagnostic procedures • Review Class Flow • Review Math and English Programs	0	12-16 hours (2 days)	At the Franchisee's local Center (or at another location designated by us)

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location/ Format
Follow-Up Training (FUT) • Enrollment process review • Parent communication practice • Advance progress planning case studies • Progress evaluation and ongoing progress planning • Staff related concerns • Effective inquiries • Hands-on practice with Key & Manager • Additional topics depending on participants • Practical Q & A • Case study	6 - 8 hours (2 days)	0	Online/virtual

Note:

After your Initial Training, you and your Center Director will be part of a two-month Weekly Operational Training (WOT). These two months of virtual training will include reviewing the enrollment process, working out a marketing plan, discussing case studies, and more

You will be asked to complete a Business Plan as part of the pre-opening process. The Regional Office representative responsible for the area in which you intend to open will review it. If any figures are clearly wrong or "out of the ballpark," the representative will so inform you and will recommend additional considerations and investigation. However, our review of the Franchisee's Business Plan, either as originally completed or as it is revised, is not an endorsement of the figures by us, nor is it a representation that the Center (if opened) would or may perform according to the plan. We require completion of the Business Plan solely to ensure that you have approached the business with strategy and financial vision. You may not rely on our review of the Business Plan as a representation or guarantee of ANY of the figures in the Business Plan. You alone are responsible for the Business Plan and for the actual results of the operation of the Center (if opened).

Our training programs are under the supervision of Min Kyung Kang, our main Trainer. Ms. Kang was a high school physics and math teacher in Baltimore, MD and in the Republic of Korea. She also has nearly 10 years of experience in developing secondary math curriculums.

Our trainers who participate in our training programs have between ten to 20 years of experience training new Eye Level franchisees.

Instructional materials that will be utilized include our Operations Manual, Instructional Materials, the Founder's Book, Life is Learning, lesson planning materials and materials related to our curriculum, and supplemental learning tools that will be used.

You (or your Operating Principal if you are an entity), your Center Director and/or other previously trained and experienced employees must attend and satisfactorily complete various ongoing training courses that we periodically provide at the times and locations designated. After completing the training program, we will not require attendance for more than a total of five days during a calendar year for such training courses. Currently, we charge $150 per person, per day plus expenses for training at our location, and $300 per person, per day plus expenses for training at your Learning Center. We reserve the right, in our discretion, to conduct any and all trainings virtually rather than in-person.

In addition, you (or your Operating Principal if you are an entity) are strongly encouraged (but not required) to attend an annual conference (if we hold one) of all franchise owners at a location designated by us. This annual meeting will not be more than three days during any calendar year. (See Item 6.) You may be asked to pay a reasonable registration fee for the annual conference for you and personnel that attend the annual conference.

You are required to attend a minimum of four Franchisee Meetings per calendar year. These meetings can be held virtually, and we will provide advance notice of scheduled meetings. Failure to meet these minimum requirements will result in reverting to the higher royalty rate, regardless of enrollment numbers, for at least one calendar year.

Electronic Media

You cannot use our domain name, myeyelevel.com, or any variations of our domain name, without our prior written approval. We will assign you a microsite upon execution of the Franchise Agreement for the purposes of marketing your Learning Center. A microsite is an individual website that acts as a separate entity within an existing site. You must market and promote your Learning Center only from the assigned microsite we assign you. We charge a one-time set up fee of $100 for the microsite. You must market and promote the Learning Center only from the assigned microsite. Your microsite can only be used for advertising and promoting your Learning Center in the virtual world. You may not distribute any of Daekyo's products or services via the Internet or any other computer network.

You must set up a Google Business Profile as part of the center opening process. We will retain co-ownership of your Google Profile listing. More information about setting up your Google Business Profile is contained in our Operations Manual.

ITEM 12

TERRITORY

After one year from the Franchise Agreement effective date, you must operate the Learning Center at a specific location that we first must approve, as indicated by **Exhibit 2** to the Franchise Agreement ("Premises"). You may operate the Learning Center only at the approved premises indicated on **Exhibit 2** to the Franchise Agreement, and you may not relocate the premises without our approval. You will receive no territorial rights.

We will only approve a relocation of the Learning Center if in our judgment you can accommodate existing students at the new location. Although there is no relocation fee, you must pay the cost to remove the sign at the existing location and affix exterior signage that we must prior approve at the relocated center. The new site must meet our criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. If you sign a franchise agreement to open an Eye Level Learning Center (or you are currently operating) in one state, and you move to another state where you want to

operate a new Eye Level Learning Center, you must sign a new franchise agreement and pay then then-current initial franchise fee.

We will not accept a location where the lease term is less than three years, the space is less than 600 square feet, or you are unable to affix one of our exterior signs. Any relocation will be at your sole expense. If you fail to comply with the relocation requirements, we may terminate the Franchise Agreement.

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 retain the right to (i) establish, operate and franchise Eye Level Learning Centers at any location; (ii) engage in any other business activities under other trademarks, including competing business activities, at any location; (iii) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Eye Level Learning Centers, or by another business; and (iv) establish alternative channels of distribution (such as the Internet, catalog sales, telemarketing or other direct marketing sales) irrespective of your Eye Level Learning Center's location, and to make sales using our proprietary marks without any obligation to compensate you. There is no restriction on our right to promote the use of the Eye Level System by any other means.

You have no right to distribute any services or products offered by Eye Level Centers through any alternate channels of distribution, including but not limited to, through or on the Internet, or through telemarketing, catalogs or direct mail.

The parents of Eye Level students are free to enroll their children at an Eye Level Center of their choice. There are no geographic restrictions on the students that you and other franchisees may serve, so long as the enrolled children have the opportunity to be physically present at the Learning Center at least one time per week.

If there is a dispute between you and another franchisee regarding which Learning Center a member should attend, we retain the unfettered discretion to make that determination. Furthermore, you may not target advertising to potential students in close vicinity (determined by our absolute discretion) of another Eye Level Center without our prior written approval; nor may you advertise for students enrolled at any other Eye Level Learning Center to transfer to your Learning Center.

When parents contact us, we may refer them to one or more Eye Level Learning Centers. We have no obligation to refer parents residing closest to your Learning Center to you.

The Franchise Agreement does not give you any rights to open or buy additional Learning Centers. If you want such rights, you must execute additional Franchise Agreements.

ITEM 13

TRADEMARKS

You may use certain Marks in operating the Learning Center. These Marks may be used only in the manner we authorize and only for the operation of your Franchised Business. You may not sublicense these Marks without our written permission. The list below of Marks licensed to you may not be an exhaustive list of all marks owned by us or our affiliate.

Mark	Registration Number	Registration Date
	4385379	August 13, 2013
Eye Level	4313990	April 2, 2013

The Marks are owned by our parent company, which has filed a registration application for the Marks listed above on the Principal Register of the United States Patent and Trademark Office ("PTO"). No affidavits or renewal filings are yet due in connection with this registration. Our parent company intends to renew the registration and file all appropriate affidavits for the Marks at the times required by law.

Under a license agreement with our parent, Daekyo Co., Ltd., dated January 1, 2025 (the "License Agreement"), it has licensed us to use the Proprietary Marks and to sublicense them to our franchisees in operating the Eye Level Learning Centers. Our parent company may terminate the License Agreement immediately (which runs for 1 year and is renewable for an additional term of 1 year) in the event of the following: (1) any default under the License Agreement; or (2) our bankruptcy, insolvency, or assignment of property to a creditor. No other agreement limits our right to use or license the Proprietary Marks. If the License Agreement is terminated or modified, you may have to change to an alternative trademark, which may increase your expenses.

You must follow our rules when you use the Marks, including giving proper notices of trademark and service mark registration and obtaining fictitious or assumed name registrations required by law. You may not use any Mark in your corporate or legal business name; with modifying words, terms, designs, or symbols (except for those we license to you); in selling any unauthorized services or products; or as part of any domain name, homepage, electronic address, or otherwise in connection with a website.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the principal Marks. We do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and you may not communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We and Daekyo Co., Ltd. may take the action we deem appropriate (including no action) and control exclusively any litigation, PTO proceeding, or other administrative proceeding arising from any infringement, challenge, or claim. You must assist us and Daekyo Co., Ltd. in protecting and maintaining our interests in any litigation or PTO or other proceeding. We will reimburse you for your costs of taking any action that we asked you to take.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the Learning Center's signs, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

We will reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under the Franchise Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

There are no patents or pending patents that are material to the operation of this franchise. We and Daekyo Co., Ltd. claim copyrights in the Operations Manual (which contains our trade secrets), the Booklets, advertising and marketing materials, and similar items used in operating Eye Level Learning Centers. We and Daekyo Co., Ltd. have not registered these copyrights with the United States Registrar of Copyrights but need not do so at this time to protect them. You may use these items only as we specify while operating your Learning Center (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the USPTO, the Copyright Office (Library of Congress), or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if in the system's best interests. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Operations Manual

You must operate your Eye Level Learning Center according to the strict standards, methods, policies and procedures specified in the Operations Manual. We may revise the contents of the Operations Manual and you must comply with each new or changed standard, at your own expense. You will receive a PDF version of our most current Operations Manual at the time you sign your Franchise Agreement. The most current version of our Operations Manual will be on our Google Drive. You must adhere to all changes we make to the Operations Manual, which will become binding on you upon being posted on our Google Drive. If there is any dispute as to the contents of the Operations Manual, the terms of the master copy maintained by us at our corporate office will be controlling. A table of contents of our Operations Manual is included in **Exhibit D** to this Franchise Disclosure Document. The Operations Manual will remain our sole property and must be kept in a secure place at your Learning Center.

Confidential Information- System Information

You must treat the confidential information as confidential and use all reasonable efforts to maintain this information as secret and confidential. You may never during the term, including any renewal, of the Franchise Agreement, or after the Franchise Agreement expires or terminated, reveal any of our confidential information to another person or entity, or use our confidential information for the benefit of any other person or entity. You may not copy any of our confidential information except as we may authorize. You may only use the Booklets, the Operations Manual and our confidential information as

described in the Franchise Agreement. You may only divulge confidential information to those of your staff and personnel who must have access to it to operate your Center.

You must take reasonable steps to prevent its improper disclosure to others. Your spouse or, if you are a corporation, partnership, or limited liability company, each Principal of your entity and their spouses, must sign the Confidentiality/Non-Competition Agreement that is attached to the Franchise Agreement as **Exhibit 4-a**. "Principal" means, for the purpose of this Item 14 and Item 15, anyone having an ownership interest or beneficial interest in your entity. Each employee (including your Center Director) 18 years or older (including your spouse, children, and other relatives 18 years or older who work at your Learning Center) must also sign the Confidentiality Agreement that is attached to the Franchise Agreement as **Exhibit 4-b**.

Any and all information, knowledge, know-how, techniques and data which we designate as confidential will be deemed confidential for purposes of your Franchise Agreement. Examples of confidential information include, without limitation: (1) site selection, construction plans and design specifications; (2) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques; (3) the Booklets and our curriculum; (4) knowledge of specifications for suppliers and methods of ordering certain products, materials, equipment and supplies; (5) knowledge of the operating results and financial performance of other System learning centers; (6) the Operations Manual; (7) training materials and programs; (8) customer data; and (9) all password-protected portions of our website, intranets and extranets and the information they contain (including the email addresses of our franchisees).

All ideas, concepts, techniques, or materials ("Works") concerning an Eye Level Learning Center, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property. You will, upon our request, assign ownership of any such Works and all related rights to such Works, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the Works.

Confidential Information - Data Security, Collection, and Storage

All data that you collect from students and parents of the Learning Center or through marketing is deemed to be owned exclusively by us and/or our affiliates. Daekyo America collects and stores parent and child data pertaining to members in your Learning Center. This data is used to better serve our members, including the monitoring of learning results, progress consulting, and communicating to parents on subjects that we choose (including marketing, general education matters, the benefits of our programs, or the Eye Level franchise opportunity). We are responsible for the data we collect and store on our or our parent company's servers. Requests for data subject rights in our systems are covered in our Operations Manual. Daekyo America keeps member data for one year following the child's withdrawal from the last enrolled subject.

You are responsible for the data you collect and keep outside of our systems. As initial data collectors, you may have to get initial consent to collect personal identifiable information of members and comply with state laws concerning data collection and privacy. You may also have to comply with the Children's Online Protection Privacy Act (a federal law) if you market your services directly to children under the age of 13. Finally, if a data breach occurs outside of our systems, you may be obligated to report such a breach to state authorities. You must also notify us as well as member parents in the event of a data breach.

You must install and maintain security measures and devices necessary to protect the customer data from unauthorized access or disclosure, and you may not sell or disclose to anyone else any personal or

aggregated information concerning any customers. You have the right to use the customer data only in connection with your Eye Level Learning Center while the Franchise Agreement is in effect. If you transfer the Learning Center or any rights to the Learning Center to a new owner, who will continue to operate the Learning Center under an agreement with us, you may transfer the customer data to the new owner as part of the going concern value of the business.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are an individual, you must be at the Learning Center during all center sessions except in extraordinary circumstances of a personal nature. You must devote full-time and devotion to the Eye Level franchise throughout the franchise relationship. We define full-time devotion as at least 30 hours per week dedicated exclusively to being physically present at the Learning Center and those hours must include all center sessions (at least three days per week totaling 12 hours) that the Learning Center is open to the public. We do not allow absentee ownership. Accordingly, you must obtain our prior written approval to be employed in any other job or have any other business interest that might prevent you from devoting full-time to the Eye Level franchise.

If you are a corporation or limited liability company, the personal obligation and full-time devotion requirement applies only to the Operating Principal identified in **Exhibit 1** to the Franchise Agreement and any owner who has a 50% or more ownership interest in the franchise if that person is not listed as the Operating Principal in **Exhibit 1** to the Franchise Agreement.

The Operating Principal must be an equity owner in the franchise and have the authority to bind you in all operational decisions regarding the franchise. We will ask you to indicate the Operating Principal on **Exhibit 1** to the Franchise Agreement if you are an entity and that is the person who we will communicate with on behalf of your entity. We will have the right to rely on any statement, agreement or representation made by the Operating Principal. You may not change the Operating Principal without our prior written approval.

Both the franchisee (in the case of an individual), your Operating Principal (in the case of an entity) and the Center Director (if not the Operating Principal) must satisfactorily attend and complete our Foundational and Intensive training programs before the Learning Center can begin operating.

Your Center Director (if not the Operating Principal) need not have any equity interest in the franchise. You will disclose to your Center Director only the information needed to operate the Learning Center and the Center Director will be advised that any confidential information is our trade secret. The Center Director (if not the Operating Principal) must also sign the Confidentiality Agreement that is attached to the Franchise Agreement as **Exhibit 4-b**.

You must keep us informed at all times of the identity of any supervisory employees acting as Center Director if that person is not you or your Operating Principal.

If you are a corporation, partnership, or limited liability company, each owner of your entity must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This "Guaranty and Assumption of Obligations" is attached as **Exhibit 3** to the Franchise Agreement. We do not require spouses to sign a guarantee if the spouse has no ownership interest

in the franchise. You and your employees must protect the secrecy of Eye Level's confidential or proprietary information (see Item 14).

If you are a corporation or limited liability company, the formation papers must include the following language in the purpose section: "The purpose of the Corporation/LLC shall be to own and operate an Eye Level Learning Center and all other uses incidental thereto."

If you are a partnership, the partnership agreement must include the following language: "The purpose of the partnership shall be to own and operate an Eye Level Learning Center and all other uses incidental thereto." If you are a partnership, we will ask you to indicate on Exhibit 1 to the Franchise Agreement one individual in the partnership who has authority on behalf of and bind the partnership in any dealings and communications with Eye Level.

We will not allow more than three owners to comprise an entity signing the Franchise Agreement, and we can require, at our sole discretion, that a least one of the Principals have a majority ownership in the entity. The owners must reside in the same state that the franchised location will be established. You or your entity shall not have any ownership interest in other Eye Level Learning Centers owned by other individuals or another entity different from yours unless we grant you our prior written permission to do so.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell courses for all subjects and perform all services that we periodically require for Eye Level Learning Centers. In conducting courses, you may only use the Instructional Materials and no other materials. You may not offer or sell any products or perform any services that we have not authorized. Our System Standards may regulate required and/or authorized curricula and Instructional Materials; unauthorized and prohibited products and services; Teaching Methods; and inventory requirements for Instructional Materials and other products and supplies so that your Learning Center operates at full capacity. We may periodically change required and/or authorized curricula and Instructional Materials. There are no limits on our right to do so.

We will not permit any activity other than the operation of an Eye Level Learning Center for any site we approve. You may not use or permit the use of the site we approve for any other purpose or activity at any time without first obtaining our written permission.

There are no geographic restrictions on the students that you and other franchisees may serve, so long as the enrolled children have the opportunity to be physically present at the Learning Center at least one time per week. If there is a dispute between you and another franchisee regarding which Learning Center a member should attend, we retain the unfettered discretion to make that determination. Furthermore, you may not target advertising to potential students in close vicinity (determined by our absolute discretion) of another Eye Level Center without our prior written approval; nor may you advertise for students enrolled at any other Eye Level Learning Center to transfer to your Learning Center.

We will assign you an Eye Level Learning Center microsite upon execution of the Franchise Agreement for the purposes of marketing your Learning Center. You must market and promote your center only from the microsite we assign you. Your microsite can only be used for advertising and promoting your Learning Center. You may not distribute any of Daekyo's products or services via the Internet or any other computer network. You may not create unapproved rewards or loyalty programs.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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.

FRANCHISE AGREEMENT

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(a)	Length of the Franchise Term	Section 1.D	Initial term for a New or Transfer Center is 3 years from the effective date of the Franchise Agreement
(b)	Renewal or extension	Section 13	If you are in full compliance, you may renew the Franchise Agreement for successive 5 year terms. Each renewal will be on our then current form of Franchise Agreement (which may be materially different).
(c)	Requirements for you to renew or extend	Section 13	Maintain possession of Learning Center premises or find acceptable substitute premises; remodel Learning Center according to our then current standards (regardless of cost); and sign new Franchise Agreement, a release (if law allows), and other documents we use to grant franchises which may contain materially different terms and conditions than the original agreement. Must provide us all documentation requested for renewal and all student information must be fully and accurately updated in our Key and Manager system.
(d)	Termination by you	Section 14.A.	If we breach Franchise Agreement and we do not correct the failure or we do not explain that we disagree with you within 30 days written notice. Liquidated Damages and an Early Termination Fee of $4,000 applies if you terminate the Franchise Agreement without cause. Must sign our General Release Form (Exhibit 5 to the Franchise Agreement) if you voluntary terminate the Franchise Agreement without cause. This provision is subject to state law.

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(e)	Termination by us without cause	None	
(f)	Termination by us with cause	Section 14.B.	We may terminate your franchise only if you or your owners commit one of several violations.
(g)	"Cause" defined — defaults which can be cured	Section 14.B.	You have 72 hours to cure health, safety, or sanitation law violations; 10 days to cure monetary defaults and failure to maintain required insurance; 30 days to cure operational defaults and other defaults not listed in (h) below; and 90 days to relocate to a new site if you lose possession of the premises.
(h)	"Cause" defined — defaults which cannot be cured	Section 14.B.	Non-curable defaults include: misrepresentation in acquiring the franchise; the earlier of (a) failure to secure Learning Center's site within nine months after Franchise Agreement's effective date or (b) failure to open Learning Center one year after Franchise Agreement's effective date; failure to complete New Franchisee Training; abandonment; unapproved transfers; conviction of a felony; dishonest or unethical conduct; unauthorized use or disclosure of the Operations Manual or other confidential information; failure to pay taxes; understating Gross Sales; repeated defaults (even if cured); an assignment for the benefit of creditors; appointment of a trustee or receiver; and violation of any anti-terrorism law.
(i)	Your obligations on termination/nonrenewal	Section 15	Obligations include paying outstanding amounts; complete de-identification, including promptly removing all exterior signage; assigning telephone and other numbers; and returning confidential information and proprietary material which includes remaining inventory (also see (o) and (r) below). For two years after termination, you may not contact any Eye Level students for the purpose of enrolling them in any other supplemental education program.
(j)	Assignment of contract by us	Section 12.A.	No restriction on our right to assign; we may assign without your approval.
(k)	"Transfer" by you — definition	Section 12.B.	Includes transfer of Franchise Agreement, the Learning Center (or its profits, losses or capital appreciation) sale of Learning Center's assets, and ownership change in you or your owners.
(l)	Our approval of transfer by you	Section 12.C.	No transfer without our prior written consent. In the event of a 100% change in ownership interest, the incoming transferee must form and sign the Franchise Agreement as a new entity. The Learning Center must be operating in order to transfer.

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(m)	Conditions for our approval of transfer	Section 12.C.	New franchise owner qualifies; you pay us, our affiliates, and third party vendors all amounts due and submit all required reports; no default during 60-day period before transfer request or during period between request and transfer's proposed effective date; new franchise owner (and its owners and affiliates) are not in a competitive business; Transfer Training Agreement (Exhibit 6 to Franchise Agreement) executed and transferee successfully completes New Franchisee Training; lease transferred; you or transferee signs our then current Franchise Agreement and other documents; transfer fee and transfer training fee paid; you sign release (if law allows); we approve material terms; you subordinate amounts due to us; you de-identify; you correct existing Learning Center deficiencies of which we notify you on punch list; and transferee agrees to upgrade and remodel Learning Center within specified timeframe after transfer (also see (r) below). All Transfer Centers start out at the higher royalty rate of $36.00 per Subject-Student for at least six months and then until all the requirements are met to terminate the Probationary Period. Also applies to current franchisees who are granted a second center through transfer.
(n)	Our right of first refusal to acquire your business	Section 12.G.	We may match any offer for your Learning Center or an ownership interest in you.
(o)	Our option to purchase your business	Section 15.E.	We may buy the furniture, fixtures and/or computers of your Learning Center at the then current book value after the Franchise Agreement is terminated or expires (without renewal).
(p)	Your death or disability	Section 12.E.	Assignment of franchise or an ownership interest in you to approved party within nine months; we may manage Learning Center if there is no qualified manager.
(q)	Non-competition covenants during the term of the franchise	Section 7	No diverting business; no ownership interest in, or performing services for, Competitive Business anywhere. Competitive Business means any business or other organization that provides tutoring, teaching or other supplemental education services or any business granting franchises or licenses to others to operate such a business), subject to state law.

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(r)	Non-competition covenants after the franchise is terminated or expires	Section 15.D.	No direct or indirect ownership interest in, or performing services for, Competing Business for two years at Learning Center's premises, within 25 miles of premises or within 25 miles of any other Eye Level Learning Center existing or under construction as of date Franchise Agreement expires or is terminated (same restrictions apply after transfer), subject to state law.
(s)	Modification of the agreement	Section 17.H.	No modifications generally, but we may change Operations Manual and System Standards.
(t)	Integration/merger clause	Section 17.J.	Only the terms of the Franchise Agreement (including System Standards in the Operations Manual) are binding (subject to state law). Any representations or promises outside the Disclosure Document and Franchise Agreement might not be enforceable.
(u)	Dispute resolution by arbitration or mediation	None	Mediation is encouraged but not required.
(v)	Choice of forum	Section 17.F.	Litigation must be in courts in the district where our headquarters is located (subject to state law).
(w)	Choice of law	Section 17.E.	New Jersey law governs (subject to state law).

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

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in **Exhibit F** to this Franchise Disclosure Document.

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 learning centers, 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 in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Samuel Chun, Franchise Development at 201-621-7720, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION
TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	120	117	-3
	2024	117	118	+1
	2025	118	121	+3
Company Owned	2023	2	0	-2
	2024	0	0	0
	2025	0	0	0
Total	**2023**	**122**	**117**	**-5**
	2024	**117**	**118**	**+1**
	2025	**118**	**121**	**+3**

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TABLE NO. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR) FOR YEARS 2023 to 2025

State	Year	Number of Transfers
California	2023	0
	2024	0
	2025	1
Georgia	2023	2
	2024	1
	2025	0
New Jersey	2023	0
	2024	0
	2025	2
Illinois	2023	1
	2024	2
	2025	1
Texas	2023	1
	2024	5
	2025	0
Virginia	2023	1
	2024	0
	2025	0
Washington	2023	0
	2024	1
	2025	0
Totals	**2023**	**5**
	2024	**9**
	2025	**4**

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TABLE NO. 3

STATUS OF FRANCHISED OUTLETS
FOR YEARS 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Alaska	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
California	2023	15	3	0	0	0	2	16
	2024	16	0	0	0	0	2	14
	2025	14	3	1	1	0	1	14
Georgia	2023	15	1	0	0	0	0	16
	2024	16	1	0	1	0	1	15
	2025	15	0	0	0	0	0	15
Illinois	2023	21	0	0	1	0	0	20
	2024	20	1	0	0	0	1	20
	2025	20	1	0	1	0	0	20
Maryland	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Massachusetts	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Michigan	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Missouri	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	2	0	0	0	0	4
New Jersey	2023	13	1	0	1	0	1	12
	2024	12	0	0	0	0	1	11
	2025	11	1	0	0	0	0	12
New York	2023	10	0	1	0	0	1	8
	2024	8	0	0	0	0	0	8
	2025	8	0	0	0	0	1	7
North Carolina	2023	8	1	0	0	0	1	8
	2024	8	0	0	0	0	0	8
	2025	8	0	0	0	0	0	8
Pennsylvania	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	1	2
	2025	2	0	0	0	0	0	2
South Carolina	2023	1	0	0	1	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1

Texas	2023	19	1	0	0	0	1	19
	2024	19	6	0	1	0	0	24
	2025	24	1	0	0	0	0	25
Virginia	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Washington	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
Totals	**2023**	**120**	**7**	**1**	**3**	**0**	**6**	**117**
	2024	**117**	**9**	**0**	**2**	**0**	**6**	**118**
	2025	**118**	**8**	**1**	**2**	**0**	**2**	**121**

TABLE NO. 4

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
IL	2023	1	0	0	1	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
TX	2023	1	0	0	0	1	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Totals	**2023**	**2**	**0**	**0**	**1**	**1**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**

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TABLE NO. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2025

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	2	0
California	0	2	0
Colorado	0	2	0
Florida	0	2	0
Georgia	0	2	0
Illinois	1	2	0
Maryland	0	2	0
Massachusetts	0	1	0
Missouri	0	1	0
Nevada	0	2	0
New Jersey	1	2	0
New York	0	2	0
Ohio	0	2	0
Pennsylvania	0	1	0
Tennessee	0	2	0
Texas	2	3	0
Virginia	0	2	0
Washington	0	1	0
Total	**4**	**33**	**0**

A list of our franchisees is attached to this Disclosure Document as Exhibit E-1.

The foregoing tables show information for franchisees of Daekyo America, Inc. from January 1, 2023, through December 31, 2025. Exhibit E-1 lists the names of all of our operating franchisees and all our franchisees and the addresses and telephone numbers of their Learning Centers as of December 31, 2025. Exhibit E-1 also lists franchisees who have signed agreements but are not open as of December 31, 2025. Exhibit E-2 lists franchisees who had a learning center terminated, canceled, not renewed or who have not communicated with us for the time periods from January 1, 2025 to December 31, 2025. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. You may wish to speak with current and former franchisees. During the last three years, no current or former franchisee has signed a confidentiality clause with us that restricts his/her/its ability to speak openly about his/her/its experience with us. We do not have any trademark specific franchisee organizations.

ITEM 21

FINANCIAL STATEMENTS

Exhibit C to this Franchise Disclosure Document contains our audited financial statements for the years ended December 31, 2023, 2024, and 2025. Our fiscal year end is December 31st.

ITEM 22

CONTRACTS

The Franchise Agreement is attached as **Exhibit B** to this Franchise Disclosure Document.

The Franchise Agreement itself has several Exhibits as follows:

EXHIBIT 1	LISTING OF OWNERSHIP INTERESTS
EXHIBIT 2	PREMISES
EXHIBIT 3	GUARANTY AND ASSUMPTION OF OBLIGATIONS
EXHIBIT 4-a	CONFIDENTIALITY NON-COMPETITION AGREEMENT-PRINCIPAL
EXHIBIT 4-b	CONFIDENTIALITY AGREEMENT-EMPLOYEE
EXHIBIT 5	GENERAL RELEASE FORM
EXHIBIT 6	TRANSFER TRAINING AGREEMENT
EXHIBIT 7	RENTAL SUBSIDY AGREEMENT

Some states require changes to the Franchise Agreement and additional disclosures. The state required addenda appear in **Exhibit F** to this Franchise Disclosure Document.

ITEM 23

RECEIPTS

Our and your copies of the Franchise Disclosure Document Receipt are located at the last 2 pages of this Franchise Disclosure Document

Exhibit A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Daekyo America, Inc.

STATE ADMINISTRATORS/
DESIGNATION OF AGENT 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 for service of process in the state. We may not yet be registered to sell franchises in any or all of the states listed. 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 Los Angeles: 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 Sacramento: 651 Bannon St. Suite 300 Sacramento, CA 95811 San Diego: 1455 Frazee Rd., Suite 315 San Diego, CA 92108 San Francisco: One Sansome St., Suite 600 San Francisco, CA 94104 Agent: California Commissioner of Financial Protection and Innovation	NORTH DAKOTA North Dakota Insurance & Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-2910 Agent: North Dakota Insurance Commissioner
HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 Agent: Commissioner of Securities of the State of Hawaii	OREGON Department of Finance and Corporate Securities Labor and Industries Building 350 Winter Street NE, Room 410 Salem, Oregon 97301-3881 (503) 378-4387 Agent: Director of Oregon Department of Insurance and Finance
ILLINOIS Franchise Division Office of Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465 Agent: Illinois Attorney General	RHODE ISLAND Department of Business Regulation Division of Securities 1511 Pontiac Ave. John O. Pastore Complex Building 69-1 Cranston, RI 02920 (401) 462-9500 Agent: Director of Business Regulation

INDIANA Franchise Section Indiana Securities Division Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681 Agent: Indiana Secretary of State Indiana Securities Division 201 State House Indianapolis, IN 46204	SOUTH DAKOTA Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563 Agent: Director, Division of Insurance-Securities Regulation
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360 Agent: Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020	VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051 Agent: Clerk of the State Corporation Commission 1300 E Main St., 1st. Fl. Richmond, VA 23219 Tel: (804) 371-9733
MICHIGAN Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 5th Floor Lansing, MI 48913 (517) 335-7567 Agent: Michigan Department of Commerce Corporations and Securities Bureau 6546 Mercantile Way Lansing, MI 48910	WASHINGTON Address for Service of Process: Director Washington Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760 Agent: Securities Administrator, Director of Department Washington Securities Administrator: Department of Financial Institutions Securities Division PO Box 41200 Olympia, WA 98504-1200.
MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1500 Agent: Minnesota Commissioner of Commerce	WISCONSIN Securities Division of the Wisconsin Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703 (608) 266-8559 Agent: Wisconsin Commissioner of Securities

NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222 Phone Agent for service: New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492	

Exhibit B

FRANCHISE AGREEMENT AND EXHIBITS

Daekyo America, Inc.

DAEKYO AMERICA, INC. FRANCHISE AGREEMENT

Eye Level
Franchise Agreement 2025
(Exhibit B to the FDD)

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EXHIBIT 4-a CONFIDENTIALITY NON-COMPETITION AGREEMENT-PRINCIPAL
EXHIBIT 4-b CONFIDENTIALITY AGREEMENT-EMPLOYEE
EXHIBIT 5 GENERAL RELEASE FORM
EXHIBIT 6 TRANSFER TRAINING AGREEMENT
EXHIBIT 7 RENTAL SUBSIDY ADDENDUM

DAEKYO AMERICA, INC.
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into by and between **DAEKYO AMERICA, INC.**, a California corporation located at 1310 Palisade Avenue, Fort Lee, NJ 07024 ("we," "us," or "our"), and

_____, (Check one box below)

○ A Corporation

○ A LLC

○ An Individual

○ A Partnership

whose principal business address is _____ ("you" or "your") as of the date signed by us and set forth opposite our signature on this Agreement (the "Effective Date").

1. PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE.

1.A. PREAMBLES.

(1) We and our affiliates have, over a considerable time period and with considerable effort, developed (and continue to develop and modify) a system and franchise opportunity for the operation of learning centers offering the mathematics, English and other curricula specified by us (the "Authorized Curricula") for teaching primary and secondary students using our proprietary educational programs and teaching methods (the "Teaching Methods"). The Teaching Methods use a series of curriculum Booklets, online materials, diagnostic tests, achievement tests and other devices (collectively, the "Instructional Materials") to assist students' educational advancement. These learning centers operate under the "Eye Level" name and other trademarks ("Eye Level Learning Center") and have distinctive business formats, methods, procedures, designs, layouts, standards, and specifications, all of which we may improve, further develop, or otherwise modify from time to time.

(2) We and our affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols in operating and franchising Eye Level Learning Centers, which have gained and will continue to gain public acceptance and goodwill, and may create, use, and license other trademarks, service marks, and commercial symbols for Eye Level Learning Centers (collectively, the "Marks").

(3) We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate an Eye Level Learning Center offering the Authorized Curricula and Teaching Methods. The Authorized Curricula and Teaching Methods and services we authorize and using our business formats, methods, procedures, signs, designs, layouts, standards, specifications, and Marks are referred to as our system (the "Franchise System").

(4) As a franchise owner of an Eye Level Learning Center, you will comply with this Agreement and all System Standards (defined below) in order to maintain the high and consistent quality that is critical to attracting and keeping students for Eye Level Learning Centers.

(5) You have applied for a franchise to own and operate an Eye Level Learning Center.

1.B. <u>ACKNOWLEDGMENTS</u>.

THIS SECTION 1.B. IS NOT APPLICABLE TO CALIFORNIA FRANCHISEES.

You acknowledge:

(1) That you have independently investigated the Eye Level Learning Center franchise opportunity and recognize that, like any other business, the nature of the business an Eye Level Learning Center conducts may, and probably will, evolve and change over time.

(2) That an investment in an Eye Level Learning Center involves business risks that could result in the loss of a significant portion or all of your investment.

(3) That your business abilities and efforts are vital to your success.

(4) That attracting students for your Eye Level Learning Center will require you to make consistent marketing efforts in your community through various methods, including maintaining your local Eye Level website, postings on your local Eye Level Facebook page, traditional direct mail advertising, and display and use of promotional materials.

(5) That retaining students for your Eye Level Learning Center will require you to maintain a high level of student service and quality and to adhere strictly to the Franchise System and our System Standards and that you are committed to maintaining System Standards.

(6) That you have not received from us any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of an Eye Level Learning Center.

(7) That you have represented to us, to induce our entry into this Agreement, that all statements you have made and all materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise.

(8) That you have read this Agreement and our Franchise Disclosure Document and understand and accept that this Agreement's terms and covenants are reasonably necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each Eye Level Learning Center, and to protect and preserve the goodwill of the Marks.

(9) That we will restrict your sources of Instructional Materials and have the right to restrict your sources of other goods and services as well, as provided in various sections of this Agreement.

(10) That we have not made any representation, warranty, or other claim regarding this Eye Level Learning Center franchise opportunity, other than those made in this Agreement and our Franchise Disclosure Document, and that you have independently evaluated this opportunity, including by using your business professionals and advisors, and have relied solely upon those evaluations in deciding to enter into this Agreement.

(11) That you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning the Eye Level Learning Center franchise opportunity.

(12) That you have been afforded an opportunity, and have been encouraged by us, to have this Agreement and all other agreements and materials we have given or made available to you reviewed by an attorney and have either done so or waived your right to do so.

1.C. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.

If you are at any time a corporation, limited liability company, or general or limited partnership (collectively, an "Entity"), you agree and represent that:

(1) You will have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

(2) Your organizational documents, operating agreement, or partnership agreement, as applicable, will recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions;

(3) **Exhibit 1** to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date;

(4) Each of your owners during this Agreement's term will execute **Exhibit 3** to this Agreement, the "Guarantee and Assumptions of Obligations", undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Subject to our rights and your obligations under Section 12, you and your owners agree to sign and deliver to us a revised **Exhibit 1** to reflect any permitted changes in the information that **Exhibit 1** now contains;

(5) You will appoint a shareholder, member, or partner, as applicable, to be your "Operating Principal," responsible for overseeing and supervising the operation of the LEARNING CENTER (as defined in Subsection D below). The Operating Principal as of the Effective Date is identified in **Exhibit 1**. You may not change the Operating Principal without our prior written consent. The Operating Principal is the person to receive communications from Daekyo and Notice for the franchise owner;

(6) The LEARNING CENTER and other Eye Level Learning Centers, if applicable, will be the only businesses you or the Operating Principal operate (although your owners may have other, non-competitive business interests);

(7) If you are a corporation or limited liability company, the formation papers shall include the following language in the purpose section: "The purpose of the Corporation/LLC shall be to own and operate an Eye Level Learning Center and all other uses incidental thereto." If you are partnership, the partnership agreement will include the following language: "The purpose of the partnership shall be to own and operate an Eye Level Learning Center and all other uses incidental thereto." The Corporation/LLC/partnership governing documents shall state that the entity's activities are limited to operating an Eye Level franchise;

(8) You may not use any Mark as part of any corporate or legal business name (See Section 5.B. of this Agreement);

(9) Your owners and employees will sign Confidentiality and Non-Competition Agreements (as applicable) in the form of Exhibits 4-a and 4-b (See Sections 6 and 7 of this Agreement);

(10) You may not have more than three owners comprising of your Entity and all the owners of the Entity must reside in the same state as where the franchised location is established; and,

(11) You may sign this Agreement with individual owners of only one Entity. Other entities cannot sign this Agreement as owners.

1.D. GRANT OF FRANCHISE.

You have applied for a franchise to own and operate an Eye Level Learning Center at the location identified in **Exhibit 2** (the "Premises"). Subject to this Agreement's terms, we grant you a franchise (the "Franchise") to operate an Eye Level Learning Center (the "LEARNING CENTER") at the Premises, and to use the Franchise System in its operation, for a term beginning on the Effective Date and expiring three (3) years from that date, unless sooner terminated as provided herein. You may use the Premises only for the LEARNING CENTER. You agree at all times faithfully, honestly, and diligently to perform your obligations under this Agreement and to use your best efforts to promote the LEARNING CENTER.

1.E. EXCLUSIVE TERRITORIAL RIGHTS.

You do not have a protected territory or any other form of exclusivity under this Agreement. We retain the right to (i) establish, operate and franchise Eye Level Learning Centers at any location; (ii) engage in any other business activities under other trademarks, including competing business activities, at any location; (iii) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Eye Level Learning Centers, or by another business; and (iv) establish alternative channels of distribution, including but not limited to, the Internet, mobile phone applications, the licensing of our programs to public or private schools, the licensing of our program to non-profit organizations, and to make sales using our proprietary marks without any obligation to compensate you. There is no restriction on our right to promote the use of the Eye Level System by any other means.

Once you have a physical location, you may accept students residing anywhere so long as the enrolled children have the opportunity to be physically present at the Learning Center at least once per week. If there is a dispute between you and another franchisee regarding which Learning Center a member should attend, we retain the unfettered discretion to make that determination. Furthermore, you may not target advertising to potential students in close vicinity (determined by our absolute discretion) of another Eye Level Center without our prior written approval; nor may you advertise for students enrolled at any other Eye Level Learning Center to transfer to your Learning Center.

When parents contact us, we may refer them to one or more Eye Level Learning Centers. We have no obligation to refer parents residing closest to your Learning Center to you.

1.F. MODIFICATION OF FRANCHISE SYSTEM.

Because complete and detailed uniformity under many varying conditions might not be possible or practical, you acknowledge that we specifically reserve the right and privilege, as we consider to be best, to vary System Standards (defined below) for any franchise owner based upon the peculiarities of any condition that we consider important to that franchise owner's successful operation. You have no right to require us to grant you a similar variation or accommodation.

2. SITE SELECTION, LEASE OF PREMISES; DEVELOPMENT AND OPENING OF LEARNING CENTER; RELOCATION.

2.A. SITE SELECTION.

You agree to obtain our written approval of the proposed site before signing any lease or other document for the site. You may operate the LEARNING CENTER only at the Premises. We will not accept a location where the lease term is less than three years, the space is less than 600 square feet, or you are unable to affix one of our exterior signs. You must also operate your LEARNING CENTER in retail space such as strip mall or town center unless we grant you a written exception to this requirement. We may, in our sole discretion, allow you to begin operations in a temporary space if permanent space in your area is especially difficult to find, and you have proven to us good-faith efforts to find permanent space. If we do permit a temporary space, it will be subject to the terms and conditions we prescribe and will be for a time period not to exceed twelve (12) months.

You agree to send us a description of the proposed site, along with a letter of intent or other evidence confirming your favorable prospects for obtaining the proposed site. We will use reasonable efforts to approve or disapprove the proposed site within five (5) days after receiving your written proposal. Upon our approval of a site, and after you secure the site, we will insert its address into **Exhibit 2** of this Agreement, and it will be the Premises.

Our recommendation indicates only that we believe that the site meets our then current criteria for acceptable sites. You acknowledge and agree that your acceptance of the Franchise is based on your own independent investigation of the site's suitability for the Premises.

If you are signing the Franchise Agreement for a New Center, we will provide a rental subsidy to you of up to $500 per month for the first four months, beginning with when you enroll your first Subject-Student. We may provide an additional rental subsidy, up to $500 per month for the first four months, if your center is open and enrolls the first Subject-Student within 240 days from the effective date of the Franchise agreement. You must be in full compliance with the Franchise Agreement to receive each rental subsidy. You must also sign our Rental Subsidy Addendum (see Exhibit 7 to the Franchise Agreement). Each rental subsidy applies only if you are opening a New Center.

2.B. LEASE OF PREMISES.

You must sign a lease for the Premises (the "Lease") within nine (9) months after we sign this Agreement. We have the right to approve the terms of the Lease before you sign it. The Lease must be in a form acceptable to us and must contain certain required terms and provisions (although we will not directly negotiate your Lease), including, but not limited to:

(1) A provision reserving to us the right to receive an assignment of the Lease upon termination or expiration of the Franchise;

(2) A provision requiring the lessor to give us all sales and other information we request relating to the LEARNING CENTER's operation;

(3) A provision requiring the lessor concurrently to send us a copy of any written notice of a Lease default sent to you and granting us the right (but without any obligation) to cure any Lease default within fifteen (15) business days after the expiration of your cure period (if you fail to do so);

(4) A provision evidencing your right to display the Marks according to the specifications in the Operations Manual (subject only to applicable law); and

(5) A provision that the Premises may be used only for the operation of an Eye Level Learning Center.

We will not permit any activity other than the operation of an Eye Level LEARNING CENTER for any site we approve. You may not use or permit the use of the site we approve for any other purpose or activity at any time without first obtaining our written permission.

Our approval indicates only that we believe that the Premises and the Lease's terms meet our then current criteria. You must deliver to us a signed copy of the Lease within seven (7) days after its execution.

If the Lease expires or is terminated without your fault, or if the site for the Premises is destroyed, condemned, or otherwise rendered unusable, we will allow you to relocate the LEARNING CENTER to a new site, provided however, that you must receive our prior written approval to relocate and sign the lease for the proposed relocation site. Any relocation will be at your sole expense, and we may charge you for the reasonable costs we incur, plus a reasonable fee (as set forth in the Operations Manual) for our services, in connection with any relocation of the LEARNING CENTER.

2.C. LEARNING CENTER DEVELOPMENT.

You are responsible for developing the LEARNING CENTER. We will give you mandatory and suggested specifications and layouts for an Eye Level Learning Center, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations for persons with disabilities. It is your responsibility to prepare a site survey and all required construction plans and specifications to suit the Premises and to make sure that these plans and specifications comply with the ADA and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions.

You agree to send us construction plans and specifications for review before you begin constructing the LEARNING CENTER and all revised or "as built" plans and specifications during construction. We will require you to use an architect and/or general contractor that we

approve to design and construct the LEARNING CENTER. Because our review is limited to ensuring your compliance with our design requirements, it might not assess compliance with federal, state, or local laws and regulations, including the ADA, as compliance with these laws is your responsibility. We may inspect the Premises while you are developing the LEARNING CENTER.

You agree to do the following, at your own expense, to develop the LEARNING CENTER at the Premises:

(1) secure all financing required to develop and operate the LEARNING CENTER;

(2) obtain all required building, utility, sign, health, sanitation, business, and other permits and licenses;

(3) construct all required improvements to the Premises and decorate the LEARNING CENTER according to approved plans and specifications;

(4) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating, and installation services;

(5) purchase or lease, and install, all required fixtures, furniture, equipment (including the number of Self-Directed Learning Desks that we specify), furnishings, and signs (collectively, "Operating Assets") for the LEARNING CENTER; and

(6) Have at the Premises the entire contents of opening inventory of authorized and approved Instructional Materials, other products, materials, and supplies to operate the LEARNING CENTER.

2.D. <u>OPERATING ASSETS</u>.

You agree to use in operating the LEARNING CENTER only those Operating Assets that we approve for Eye Level Learning Centers as meeting our specifications and standards for quality, design, appearance, function, and performance. You agree to place or display at the Premises (interior and exterior) only the signs, emblems, lettering, logos, and display materials that we approve from time to time. You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates).

For a New Learning Center, we will provide at no cost up to 16 SDL Desks for your approved location as space permits. For a Transfer Learning Center, we will provide up to 10 SDL Desks at no cost as space permits. Additional SDL Desks will cost $150 per desk. In no event shall you be required to spend more than $1,500 if you want to purchase additional SDL Desks above the quantities we provide to you at no cost. You must install and utilize the SDL Desks according to the Space Identity Guidelines diagram we provide to you detailing the interior design elements of your franchised center.

2.E. COMPUTER SYSTEM.

You agree to obtain and use the computer hardware and/or operating software that we specify from time to time (the "Computer System"). We may modify specifications for and components of the Computer System. We will assign you an Eye Level email address which you must use for all business related to the LEARNING CENTER. We own all Eye Level email addresses that you are permitted to use and have full access to all communications sent and received using those addresses.

Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. We reserve the right to adopt new technology at any time, which may result in additional fees to you that are not currently known.

Within sixty (60) days after you receive notice from us, you agree to obtain the Computer System components that we designate and to ensure that your Computer System, as modified, is functioning properly.

We require you to purchase internet service and telephone service at the center. The phone service should be able to store the message and should be able to forward the call to an alternative/secondary phone number.

You agree that we or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on your signing the Software License Agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. We and our affiliates may charge you an initial and a monthly or other fee for any proprietary software or technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during this Agreement's term.

Despite the fact that you agree to buy, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded.

2.F. LEARNING CENTER OPENING.

You agree not to open the LEARNING CENTER until:

(1) we notify you in writing that the LEARNING CENTER meets our standards and specifications (although our acceptance is not a representation or warranty, express or implied, that the LEARNING CENTER complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord's, insurance,

safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies);

(2) you (or your Operating Principal if you are an entity) and your Center Director must satisfactorily complete Foundational and Intensive Training;

(3) you pay the initial franchise fee and other amounts then due to us; and

(4) you give us certificates for all required insurance policies.

Subject to your compliance with these conditions and the lease signing timelines specified in Section 2.B. above, you must open the LEARNING CENTER for business within one (1) year from the Effective Date.

2.G. RELOCATION.

If you desire to relocate the LEARNING CENTER, you shall submit to us a written request to approve the proposed new location for the LEARNING CENTER. We are not obligated to approve any request for relocation, and we may, in our sole discretion, require any or all of the following as conditions of our approval: (a) you are in compliance with all terms and conditions of this Agreement; (b) you have the funds available to relocate the LEARNING CENTER and construct a new LEARNING CENTER according to our then-current design standards. Although there is no relocation fee, you must pay the cost to remove the sign at the existing location and affix exterior signage that we must prior approve at the relocated center.

If you sign a franchise agreement to open a LEARNING CENTER (or you are currently operating) in one state, and you move to another state where you want to operate a new Eye Level Learning Center, you must sign a new franchise agreement and pay then then-current initial franchise fee.

3. FEES.

3.A. INITIAL FRANCHISE FEE.

You agree to pay us a nonrecurring and nonrefundable standard initial franchise fee of one thousand dollars ($1,000.00). This fee is due, and fully earned by us, when you sign this Agreement.

3.B. ENROLLMENT ROYALTY FEE; CONTINUING SERVICE AND ROYALTY FEE.

You agree to remit to us a monthly Enrollment Royalty Fee and Continuing Service and Royalty Fee (the "Royalty") for each Subject-Student in the amounts and in accordance with the procedures specified in the Operations Manual. A "Subject-Student" shall mean one Tuition Paid student

enrolled in one Authorized Curricula subject, such as math or English, for all or part of a given month. If a person is enrolled in two Authorized Curricula subjects, such as math and English, that person shall be counted as two Subject-Students. Monthly royalty can also be pro-rated based on the number of study weeks a Subject-Student attends per month. Those details are explained in our Operations Manual. The monthly royalty will range from $33 -$42 per Subject-Student and will be based on the total number of Subject- Students enrolled in one Authorized Curricula subject

Enrollment Royalty Fee. The Enrollment Royalty Fee is due to us each time a student registers unless the student currently is enrolled in at least one subject at your Eye Level Learning Center and registers for a second or subsequent subject. We will not charge you an Enrollment Royalty Fee for a student who temporarily drops out of your LEARNING CENTER but returns within three consecutive reporting periods. Each student who returns after three consecutive reporting periods will be charged to you as a new Enrollment Royalty Fee on your monthly statement.

If you are a New or Transfer Eye Level Learning Center, you will be allowed to offer free enrollment during the first three months of operation. You will not be charged an Enrollment Royalty Fee for the first three months of operation if you choose to participate in this program.

Scaled Royalty Payment- Eye Level Math and Eye Level English

The amount of monthly royalty paid will be based on the Subject-Student number in a given month at the Learning Center. The range is from forty-two dollars ($42) per Subject-Student if the total enrollment for a given month is less than 40 subjects-students to thirty-three dollars ($33) per Subject-Student if the total enrollment in a given month is 200 or more. Below is the full schedule of the scaled royalty rates of Eye Level Math and Eye Level English.

- $42, if the total number of Subject-Students in a given month is less than 40
- $40, if the total number of Subject-Students in a given month is 40 or more, but less than 60
- $37, if the total number of Subject-Students in a given month is 60 or more, but less than 100
- $35, if the total number of Subject-Students in a given month is 100 or more, but less than 150
- $34, if the total number of Subject-Students in a given month is 150 or more, but less than 200
- $33, if the total number of Subject-Students in a given month is 200 or more

Scaled Royalty Payment- Summit of Math

The amount of monthly royalty paid will be based on the Subject-Student number in a given month at the Learning Center. The range is from fifteen dollars ($15) per Subject-Student if the total enrollment for a given month is less than 10 to ten dollars ($10) per Subject-Student if the total enrollment in a given month is 30 or more. Below is the full schedule of the scaled royalty rates of Sumit of Math.

- $15, if the total number of Subject-Students in a given month is less than 10
- $12, if the total number of Subject-Students in a given month is 10 or more, but less than 20
- $11, if the total number of Subject-Students in a given month is 20 or more, but less than 30
- $10, if the total number of Subject-Students in a given month is 30 or more

Minimum Royalty. A Minimum Royalty of $1,500 will be charged for Learning Centers after the first year from the date you enroll the first Subject-Student (the 13th reporting month). If your royalty amount is $1,500 or greater, however, you will be charged your actual royalty based on the number of Subject-Students enrolled at the Learning Center. You shall continue to pay this Minimum Royalty amount each month thereafter if the actual royalty based on the number of Subject-Students is less than $1,500.

If the LEARNING CENTER is being transferred to a new owner and the monthly royalty at the time of transfer is less than $1,500, the minimum royalty amount stated will take effect after one year of operation.

Free Trials. If you are a New or Transfer Eye Level Learning Center, you may implement free trials for the six-month period from opening or taking over the LEARNING CENTER. A student may try one free trial Subject Offering for a period of two weeks. No royalty will be charged for free trials, provided the information is entered correctly in Key & Manager. In addition, we will not charge the cost for Booklet use during the Free Trial period, although we will charge for the cost of shipping these Booklets to you.

3.C. LATE FEES AND INTEREST.

All amounts which you owe us for any reason, will bear interest accruing as of their original due date at one and one-half percent (1.5%) per month or five hundred dollars ($500.00), whichever is higher. We may debit your bank account automatically for late fees and interest. You acknowledge that this Subsection is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the LEARNING CENTER.

3.D. APPLICATION OF PAYMENTS.

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

3.E. METHOD OF PAYMENT.

You must allow us to make monthly electronic debits to your bank account equal to any amounts you owe us. Debits to your account will be made on the day set forth in our Operation Manual or the next business day if the date falls on a weekend or holiday. We will provide a form that you must sign authorizing us to make electronic debits to your account. You agree to retain sufficient funds in the account to cover the amounts owed to us each month. If for any reason we are not able to obtain payment in full by debiting your account, you are responsible for paying us the deficiency on time and reimbursing us for any bank penalties charged to Daekyo by reason of our attempt to debit your account. Additionally, should you fail to have sufficient funds in your account, we may charge you an administration fee, as set forth in our Operations Manual.

We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit (*e.g.*, by check) whenever we deem appropriate, and you agree to comply with our payment instructions.

In the event you elect to pay any fees owed to us via credit card, you will also be required to pay an additional 5% processing fee for such payment.

3.F. BOOKLET SECURITY DEPOSIT.

You agree to pay us a refundable Booklet Security Deposit in the amount of three thousand dollars ($3,000.00) when you sign the Franchise Agreement. There is no charge for the initial inventory we provide to you. It is also shipped to you at no charge. Upon the termination or expiration (without renewal) of the Franchise Agreement, you must return to us an amount of unused (and in usable condition) Booklets at least equal to the opening inventory amount we provide to you. We will charge $2.00 per Booklet for any deficiency that exists between the number of unused Booklets provided at the start of the franchise relationship as compared to the number of unused Booklets when the franchise relationship ends for any reason.

We may also credit the Booklet Security Deposit to any other amounts owed to us by you at the time of termination or expiration of this Agreement. For shipment of our Booklets back to our Distribution Center when the franchise relationship ends, we will initially pay for the costs but will then make an Electronic Funds Transfer to your authorized account for the shipping costs we incurred. If any credit balance remains on the Booklet Security Deposit after the above possible charges, we will refund that amount to you. If you are renewing the Franchise Agreement, and we did not collect a Booklet Security Deposit previously, we will require that you pay it upon signing this Agreement.

You will not receive any interest on the Booklet Security Deposit. The Booklet Security Deposit shall be maintained by us in a separate account. We reserve the right to place restrictions on the number of booklets you may order each month.

3.G. ADMINISTRATIVE ADDENDUM FEE.

In the event you request an addendum to your Franchisee Agreement, which we agree to, you agree to pay us a fee equal to two hundred fifty dollars ($250.00) to cover our administrative costs for each addendum we create on your behalf.

3.H. NON-COMPLIANCE FEE.

You agree to pay us three hundred dollars ($500.00) per month for each non-complying incident. This fee will apply if you receive a written notice of non-compliance. You agree to pay three hundred dollars ($500.00) for each non-compliance issue stated in our notice to you until cured.

4. TRAINING AND ASSISTANCE.

4.A. NEW FRANCHISEE TRAINING.

If this is your first Eye Level Learning Center, then before the LEARNING CENTER opens for business, we will train you (or, if you are an Entity, your Operating Principal), and your Center Director (if your Operating Principal is not the Center Director) on the material aspects of operating an Eye Level Learning Center. You are required to complete all Self-Directed Learning 1 modules prior to attending our corresponding New Franchise trainings. You are also required to complete the New Franchisee Training and Self-Directed Learning 2 modules prior to opening. We will provide the New Franchisee Training program virtually/online. We have the option, at our sole discretion, to conduct New Franchisee Training in-person instead of online.

Upon completion of Initial Training, you and your Center Director will be part of a two-month Weekly Operational Training (WOT). These two months of virtual training will include reviewing the enrollment process, working out a marketing plan, discussing case studies, and more.

If you are assuming an existing Learning Center through transfer, then you must first participate in our New Franchisee Training program before signing our Franchise Agreement. We will charge a cost of one thousand dollars ($1,000.00) for up to two attendees for attending New Franchisee Training related to a transfer. However, the training fee will be credited on your statement toward the franchise fee on the first statement that you receive from us. You will pay the full one thousand dollar ($1,000.00) franchise fee upon executing a franchise agreement. (See Exhibit 6, "Transfer Training Agreement").

We will provide New Franchisee Training for no additional fee for up to two attendees (including you or your Operating Principal) to attend any one type of training. Additional people beyond these two may attend if you pay our then current training charge for each additional person. The training charge will also apply if such training occurs subsequently for new members of your management team. You also agree to pay for all travel and living expenses which you (or your Operating Principal) and all of your employees incur, including your employees' wages and workers' compensation insurance while they train at operating Eye Level Learning Centers.

You (or your Operating Principal) and your Center Director (if not the Operating Principal) must satisfactorily complete New Franchisee Training. If we determine that you (or your Operating Principal) and your Center Director (if not the Operating Principal) cannot complete either training portion to our satisfaction, we may terminate this Agreement.

You may request additional training at the end of our initial training programs (all our trainings prior to opening), to be provided at our then current per diem charges, if you do not feel sufficiently trained in the operation of an Eye Level Learning Center. We and you will jointly determine the duration of this additional training. However, if you satisfactorily complete our initial training programs and have not expressly informed us at the end of this training that you do not feel sufficiently trained in the operation of an Eye Level Learning Center, then you will be deemed to have been trained sufficiently to operate an Eye Level Learning Center.

As a prerequisite to begin operating your Learning Center, you will be required to complete a Business Plan for our approval. However, our review of your Business Plan, either as originally completed or as you may revise it, is not an endorsement of your figures by Daekyo America, nor is it a representation that your Center (if you open one) would or may perform according to your plan. You alone are responsible for the Business Plan and for the actual results of the operation of your Center.

You will also receive up to two-days of Opening Day Support in which corporate staff will guide and assist you just prior to the opening of your Learning Center. This assistance is provided at no extra cost to you.

4.B. <u>ONGOING TRAINING</u>.

After your Learning Center opens, you (or your Operating Principal) and Center Director (if not the Operating Principal) must complete Follow-Up Training (8 – 15 hours) approximately six (6) to twelve (12) months after your Learning Center first opens for business. This training will include case studies and practical Q & A sessions, and it will be conducted virtually.

In addition to the Follow-Up Training described above, we may require you (or your Operating Principal) and Center Director (if not the Operating Principal) to attend and complete satisfactorily various training courses that we periodically choose to provide at the times and locations that we designate. We may charge reasonable registration or similar fees for these courses. We will not require attendance for more than a total of five (5) days during a calendar year for these additional trainings.

You are also required to attend a minimum of four Franchisee Meetings per calendar year. These meetings can be held virtually, and we will provide advance notice of scheduled meetings. Failure to meet these minimum requirements will result in reverting to the highest royalty rate, regardless of enrollment numbers, for at least one calendar year.

You are strongly encouraged to attend a conference of all Eye Level Learning Center franchise owners at a location we designate that we may schedule from time to time. You agree to pay all

costs, which may include a reasonable registration fee, to attend this annual meeting for you and your manager level employees that attend.

You agree to pay all travel and living expenses which you and your employees incur during all training courses and programs. You agree to assist us in training other Eye Level Learning Center franchise owners. We will reimburse your out-of-pocket expenses for providing this assistance.

You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

4.C. GENERAL GUIDANCE.

We will advise you from time to time regarding the LEARNING CENTER's operation based on your reports or our inspections and will guide you with respect to: (1) standards, specifications, and operating procedures and methods that Eye Level Learning Centers use; (2) purchasing required and authorized Operating Assets, Instructional Materials, and other items and arranging for their distribution to you; (3) advertising and marketing materials and programs; (4) employee training (only as it relates to the Eye Level curriculum); and (5) administrative, bookkeeping, accounting, and inventory control procedures.

We will guide you in our operations manual ("Operations Manual"); in bulletins or other written materials; by electronic media; by telephone consultation; and/or at our office or the LEARNING CENTER. If you request, and we agree to provide, additional or special guidance, assistance, or training, you agree to pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

4.D. OPERATIONS MANUAL.

We will loan you during the Franchise term one (1) copy of our Operations Manual. You will receive a printed version of our most current Operations Manual at the time you sign your Franchise Agreement. The most current version of our Operations Manual will be housed on Google Drive. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures, and rules ("System Standards") that we periodically prescribe for operating an Eye Level Learning Center and information on your other obligations under this Agreement. We also have more detailed manuals referred to in our Operations Manual related to the operation of the Learning Center, such as our Space Identity Guideline, Learning Center Operations Manual, and Center Improvement Checklist (CIC), all of which will be considered part of the Operations Manual.

We may modify the Operations Manual (or other manuals referred to above) periodically to reflect changes in System Standards. We have the right to prescribe additions to, deletions from or revisions of the Operations Manual (the "Supplements to the Operations Manual"), all of which will be considered a part of the Operations Manual. All references to the Operations Manual in this Agreement will include the Supplements to the Operations Manual. Supplements to the Operations Manual will become binding on you as if originally set forth in the Operations Manual,

upon being posted on Google Drive. The Operations Manual and any Supplements to the Operations Manual are material in that they will affect the operation of the franchised business, but they will not conflict with or materially alter your rights and obligations under this Agreement.

You agree to keep any printed versions of the Operations Manual current and in a secure location at the LEARNING CENTER. If there is a dispute over its contents, our master copy of the Operations Manual controls. You agree that the Operations Manual's contents are confidential and that you will not disclose the Operations Manual to any person other than LEARNING CENTER employees who need to know its contents. You may not at any time transmit through electronic communications, publish or upload on the Internet or any social media platform, copy, duplicate, record, or otherwise reproduce any part of the Operations Manual.

You agree to monitor our Google Drive for any updates to the Operations Manual or System Standards. Your password necessary to access the Operations Manual (via Google Drive) will be deemed to be part of Confidential Information (defined in Section 6 below).

4.E. DELEGATION OF PERFORMANCE.

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

5. MARKS.

5.A. OWNERSHIP AND GOODWILL OF MARKS.

Daekyo Co., Ltd. ("DCL") has licensed the Marks to us to use in connection with the franchising, development, and operation of Eye Level Learning Centers. Your right to use the Marks is derived only from this Agreement and limited to your operating the LEARNING CENTER according to this Agreement and all System Standards we prescribe during its term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our and DCL's rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our and DCL's benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the LEARNING CENTER under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Agreement's term contest or assist any other person in contesting the validity, or our and DCL's ownership, of the Marks.

5.B. LIMITATIONS ON YOUR USE OF MARKS.

You agree to use the Marks as the LEARNING CENTER sole identification, except that you agree to identify yourself as its independent owner in the manner we prescribe. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any domain name, homepage,

electronic address, or otherwise in connection with a Website (other than the URL and email address we assign to you), or (5) in any other manner that we have not expressly authorized in writing.

You may not use any Mark in advertising the transfer, sale, or other disposition of the LEARNING CENTER or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the LEARNING CENTER and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

5.C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS.

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

5.D. DISCONTINUANCE OF USE OF MARKS.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the LEARNING CENTER's signs, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Subsection 5.D. apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason, business or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

5.E. INDEMNIFICATION FOR USE OF MARKS.

We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

6. CONFIDENTIAL INFORMATION.

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "Confidential Information"), relating to developing and operating Eye Level Learning Centers, including (without limitation):

(1) site selection criteria;

(2) training and operations materials and manuals;

(3) methods, formats, specifications, standards, systems, procedures, teaching techniques, sales and marketing techniques, knowledge, and experience used in developing and operating Eye Level Learning Centers;

(4) marketing and advertising programs for Eye Level Learning Centers;

(5) knowledge of specifications for and suppliers of Operating Assets, Instructional Materials, and other products and supplies;

(6) any computer software or similar technology which is proprietary to us or the Franchise System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

(7) knowledge of the operating results and financial performance of Eye Level Learning Centers other than the LEARNING CENTER; and

(8) graphic designs and related intellectual property.

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the LEARNING CENTER during this Agreement's term, and that Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you:

(a) will not use Confidential Information in any other business or capacity;

(b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during this Agreement's term and then thereafter for as long as the item is not generally known in the supplemental education industry;

(c) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and

(d) will ensure that each of the individuals below signs a Confidentiality/Non-Competition Agreement or Confidentiality Agreement (as applicable) in form of the Exhibit to the Franchise Agreement indicated:

(i) If you are corporation, partnership, or limited liability company, each Principal (owner) of your entity must sign Exhibit 4-a to the Franchise Agreement.

(ii) Any employees, including your spouse and adult child, 18 years or older who are working at your Learning Center, must sign Exhibit 4-b to the Franchise Agreement.

Confidential Information does not include information, knowledge, or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time we disclosed it to you, already had lawfully become generally known in the supplemental education industry through publication or communication by others (without violating an obligation to us); or which, after we disclose it to you, lawfully becomes generally known in the supplemental education industry through publication or communication by others (without violating an obligation to us). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

All ideas, concepts, techniques, or materials ("Works") relating to an Eye Level Learning Center, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property. You will, upon our request, assign ownership of any such Works and all related rights to the Works, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the Works.

All data that you collect from students and parents of the Learning Center or through marketing is deemed to be owned exclusively by us and/or our affiliates. You must install and maintain security measures and devices necessary to protect the customer data from unauthorized access or disclosure, and you may not sell or disclose to anyone else any personal or aggregated information concerning any customers. You have the right to use the customer data only in connection with your Eye Level Learning Center, while the Franchise Agreement is in effect. If you transfer the Learning Center or any rights to the Learning Center to a new owner (in accordance with the terms of this Agreement), who will continue to operate the Learning Center under an agreement with us, you may transfer the customer data to the new owner as part of the going concern value of the business.

7. EXCLUSIVE RELATIONSHIP.

You acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during this Agreement's term, neither you, any of your owners, nor any of your or your owners' spouses will: have any direct or indirect controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than two percent (2%) of a Competitive Business whose stock or other

forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(a) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(b) divert or attempt to divert any actual or potential business or customer of the LEARNING CENTER to a Competitive Business; or

(c) engage in any other activity which might injure the goodwill of the Marks and Franchise System.

The term "Competitive Business" means (i) any business or other organization that provides tutoring, teaching or other supplemental education services in math, reading or writing; or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than an Eye Level Learning Center operated under a franchise agreement with us).

You must obtain similar covenants from the personnel we specify in the form of Exhibit 4-a including officers, directors, and managers.

8. SYSTEM STANDARDS.

8.A. CONDITION AND APPEARANCE OF THE LEARNING CENTER.

You agree that:

(1) you will maintain the condition and appearance of the LEARNING CENTER, its Operating Assets and the Premises in accordance with System Standards and consistent with the image of an Eye Level Learning Center as an efficiently operated business offering high quality products and services to young students and observing the highest standards of professionalism; cleanliness; and efficient and courteous service. You will also maintain a pleasant, caring ambiance suited to young students and in that connection will undergo, without limitation, the following actions during the term of this Agreement: (a) a thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at intervals we prescribe; (b) interior and exterior repair of the Premises; and (c) repair or replacement of damaged, worn out or obsolete Operating Assets;

(2) you will follow our interior graphic design layouts we prescribe for your LEARNING CENTER according to our Space Identity and Graphic Identity Guidelines;

(3) you will place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials that we from time to time approve;

(4) if at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Premises of the LEARNING CENTER or its fixtures,

furnishings, equipment or signs does not meet our standards, we have the right to notify you, specifying the action you must take to correct the deficiency. If you do not initiate action to correct such deficiencies within ten (10) days after you receive our notice, and then continue in good faith and with due diligence, a bona fide program to complete any required maintenance or refurbishing, we have the right, in addition to all other remedies, to enter the Premises or the LEARNING CENTER and do any required maintenance or refurbishing on your behalf, and you agree to reimburse us on demand for any expenses we incur in that connection; and

(5) on notice from us, you agree to remodel, expand, redecorate, reequip and/or refurnish the Premises and the LEARNING CENTER to reflect changes in the operations of Eye Level Learning Centers which we prescribe and require of new franchisees.

8.B. LEARNING CENTER CURRICULA, SPECIFICATIONS, STANDARDS AND PROCEDURES.

You agree that: (1) the LEARNING CENTER will offer for sale all Authorized Curricula and other products and services that we specify from time to time, and will only use Teaching Methods, Instructional Materials or other materials and specifications that we have specified or approved; (2) the LEARNING CENTER will offer and sell approved products and services only in the manner we have prescribed; (3) you will not offer for sale or sell at the LEARNING CENTER, the Premises or any other location any products or services we have not approved; (4) all products will be offered and sold only at retail and from the Premises and you will not offer or sell any products at wholesale; and (5) you will discontinue selling and offering for sale any products or services that we at any time decide (in our sole discretion) to disapprove in writing.

8.C. APPROVED PRODUCTS, DISTRIBUTORS AND SUPPLIERS.

We and our affiliates have developed or may develop standards and specifications for types, models and brands of required Operating Assets, Instructional Materials, other products, ingredients, materials and supplies. We reserve the right from time to time to approve specifications or suppliers and distributors of the above products that meet our reasonable standards and requirements. If we do so, you agree to purchase only such products meeting those specifications, and if we require it, only from distributors and other suppliers we have approved, including ourselves or our affiliates. You must purchase all Instructional Materials from us or our designated affiliate.

We may designate a single distributor or supplier (collectively "supplier") for any product, service, equipment, supply or material and may approve a supplier or distributor only as to certain products. The designated supplier may be us or an affiliate of ours. You cannot be a supplier to other franchisees.

We and our affiliates may receive payments from suppliers on account of such suppliers' dealings with you and other franchise owners and may use any amounts so received without restriction and for any purpose we and our affiliates deem appropriate. We may concentrate purchases with one

or more suppliers or distributors to obtain lower prices or the best advertising support or services. Approval of a supplier or distributor may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier or distributor from time to time.

If you would like to purchase any items from any unapproved supplier or distributor, you must submit to us a written request for approval of the proposed supplier or distributor. (Alternatively, the proposed supplier or distributor may submit its own request.) We have the right to inspect the proposed supplier's or distributor's facilities, and to require product samples from the proposed supplier or distributor to be delivered at our option either directly to us or to any independent service which we designate for testing. Either you or the proposed supplier or distributor must pay us a fee (not to exceed the reasonable cost of the inspection and the actual cost of the test) to make the evaluation. We reserve the right to periodically re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval if the supplier or distributor does not continue to meet any of our criteria. We also reserve the right to charge manufacturers or suppliers a royalty for the right to manufacture products for use in an Eye Level Learning Center.

We and our affiliates have developed specially formulated Instructional Materials for use in the operation of Eye Level Learning Centers. You must use only the Instructional Materials in the services provided by your LEARNING CENTER. Currently, you must purchase the Instructional Materials from us or a designated third party supplier. You may only provide Instructional Materials to students who are enrolled in Authorized Curricula and only for the Authorized Curricula for which they are then enrolled.

8.D. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the LEARNING CENTER and must operate the LEARNING CENTER in full compliance with all applicable laws, ordinances and regulations, including, without limitation, government regulations relating to occupational hazards, health, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. The LEARNING CENTER must in all dealings with its customers, suppliers, us and the public adhere to the highest standards of professionalism, caring, honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Marks and other Eye Level Learning Centers. You must notify us 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, which may adversely affect your operation or financial condition or that of the LEARNING CENTER and of any notice of violation of any law, ordinance, or regulation relating to the LEARNING CENTER. You must also conduct employee background checks on all employees given that services will be provided to children.

8.E. MANAGEMENT OF THE LEARNING CENTER

If you are an individual, you must be at the LEARNING CENTER during all center sessions except in extraordinary circumstances of a personal nature. You must devote full-time and devotion to the Eye Level franchise throughout the franchise relationship. We define full-time devotion as at least 30 hours per week to being physically present at the Learning Center and those hours must include all center sessions (at least three days per week totaling 12 hours) that the LEARNING CENTER is open to the public. We do not allow absentee-ownership. Accordingly, you must obtain our prior written approval to be employed in any other job or have any other business interest that might prevent you from devoting full-time to the Eye Level franchise.

If you are a corporation or limited liability company, the personal obligation and full-time devotion requirement applies only to the Operating Principal identified in Exhibit 1 to the Franchise Agreement and any owner who has a 50% or more ownership interest in the franchise, if that person is not listed as the Operating Principal in Exhibit 1 to the Franchise Agreement.

You may not have more than three owners comprising of your Entity and all the owners of the Entity must reside in the same state as where the franchised location is established.

Your Center Director need not have any equity interest in the franchise. You will disclose to your Center Director only the information needed to operate the LEARNING CENTER and the Center Director will be advised that any confidential information is our trade secret.

You must keep us informed at all times of the identity of any supervisory employees acting as Center Director.

8.F. INSURANCE.

You must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations. You currently must have comprehensive general liability insurance, including products liability coverage, with a combined single limit for bodily injury and property damage liability in the minimum of one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate. You must also purchase cyber security insurance to protect against computer breaches, viruses, data theft and hacking into your computer system at the LEARNING CENTER. All insurance policies must contain a separate endorsement naming us and our affiliates as additional insureds using ISO form CG2029 or an equivalent endorsement (no blanket additional insured language is acceptable) and must be written by an insurance carrier accepted by us in writing. You must submit a copy of the certificate of insurance (and also a copy of the renewed certificate each year) to us. No insurance policy may be subject to cancellation, termination, non-renewal or material modification, except upon at least thirty (30) days' prior written notice from the insurance carrier to us. We may increase or otherwise modify the minimum insurance requirements upon thirty (30) days' prior written notice to you, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances and you must comply with any modification. Defense costs under the policy cannot erode policy limits.

If you will be engaging in any construction, renovation or build-out of your LEARNING CENTER, either you or your third party contractor must have in force for the duration of said project, Commercial General Liability insurance and Worker's Compensation and Employer's Liability insurance in the amounts listed above. You must also have Builder's Risk insurance in an amount approved by us.

If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the LEARNING CENTER on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

8.G. PRICING.

We may exercise rights with respect to the pricing of products and services to the fullest extent permitted by then-applicable law.

These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which you may charge customers for the products and/or services offered and sold at your LEARNING CENTER; recommending retail prices; advertising specific retail prices for some or all products or services sold by your LEARNING CENTER, which prices you will be compelled to observe; engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices (such as "buy one, get one free"); and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which your LEARNING CENTER may charge the public for the products and services it offers.

We may engage in any such activity either periodically or throughout the term of this Agreement. Further, we may engage in such activity only in certain geographic areas (cities, states, regions) and not others, or with regard to certain subsets of franchisees and not others. You acknowledge and agree that any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your franchised business and you irrevocably waive any and all claims arising from or related to our prescription or suggestion of your franchised business's retail prices.

Our suggested tuition range, maximum or minimum prices, if any, are contained in our Operations Manual. You may not create unapproved rewards or loyalty programs.

8.H. COMPLIANCE WITH SYSTEM STANDARDS.

You acknowledge and agree that operating and maintaining the LEARNING CENTER according to System Standards are essential to preserve the goodwill of the Marks and all Eye Level Learning Centers. Therefore, you agree at all times to operate and maintain the LEARNING CENTER according to all of our System Standards, as we periodically modify and supplement them, even if you believe that a System Standard, as originally issued or subsequently modified, is not in the Franchise System's or the LEARNING CENTER best interests. Although we retain the right to

establish and periodically modify System Standards that you have agreed to maintain, you retain the right to and responsibility for the day-to-day management and operation of the LEARNING CENTER and implementing and maintaining System Standards at the LEARNING CENTER.

As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Subsections 8.A. through 8.H. above:

(1) Purchase and delivery of Instructional Materials; and inventory requirements for Instructional Materials and other products and supplies so that the LEARNING CENTER may operate at full capacity;

(2) terms and conditions of the sale and delivery of, and terms and methods of payment for, Instructional Materials, other products, and services that you obtain from us and affiliated and unaffiliated suppliers; and our and our affiliates' right not to sell you any Instructional Materials, or other products or to provide you with services, or to do so only via direct debit, credit card or other method, if you are in default under any agreement with us;

(3) sales, marketing, advertising, and promotional programs and materials and media used in these programs;

(4) use and display of the Marks at the LEARNING CENTER, on materials used by the LEARNING CENTER and in communications made by the LEARNING CENTER;

(5) issuing and honoring gift certificates;

(6) staffing levels for the LEARNING CENTER; identifying the Center Director; and Center Director qualifications, training, dress, and appearance (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned, and working conditions);

(7) days and hours of operation;

(8) participation in market research and testing and product and service development programs as well as participation in, and dues assessed for, advisory councils;

(9) accepting credit and debit cards, other payment systems, and check verification services;

(10) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and giving us copies of tax returns and other operating and financial information concerning the LEARNING CENTER;

(11) handling of complaints by students or their parents or guardians; and

(12) any other aspects of operating and maintaining the LEARNING CENTER that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Eye Level Learning Centers.

You agree that System Standards we prescribe in the Operations Manual, or otherwise communicate to you in writing or another tangible form (for example, via our extranet or Website), are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified.

8.I. MODIFICATION OF SYSTEM STANDARDS.

We periodically may modify System Standards, which may accommodate regional or local variations, and these modifications may obligate you to invest additional capital in the LEARNING CENTER and/or incur higher operating costs.

You agree to implement any changes in System Standards within the time period we request, whether they involve refurbishing or remodeling the Premises or any other aspect of the LEARNING CENTER, buying new Operating Assets, modifications in the form or content of existing Authorized Curricula, adding new Authorized Curricula and services, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

8.J. NATIONAL ACCOUNTS.

We or our designee may solicit and enter into contracts with customers who wish to receive services from multiple Eye Level Learning Center locations (a "National Account"). We will, from time to time, set forth in the Operations Manuals or other communications guidelines, policies and procedures regarding the National Account program (the "NMA Policies"). If you are in compliance with this Agreement, we will offer you the option to provide services to National Account customers. If you elect to provide such services to a National Account customer, you must do so on the terms and conditions which we prescribe for that National Account customer from time to time. If you elect not to provide such services to a National Account customer, we will have the right to provide such services or appoint a representative or another franchisee to render such services to the National Account customer. Further, if at any time we determine that you are not abiding by the terms and conditions we prescribe for a particular National Account customer or the NMA Policies, we may, in our discretion, terminate your right to service a National Account. If we terminate your right to service National Accounts, we will have the right to provide services to, or appoint a representative or another franchisee to provide services to, any National Accounts.

8.K. PRIVACY.

You shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals (“Privacy”) and shall comply with our standards and policies pertaining to Privacy. If there is a conflict between our standards and policies pertaining to Privacy and applicable law, you shall: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with

us and our counsel as we may request to assist us in our determination regarding the most effective way, if any, to meet our standards and policies pertaining to Privacy within the bounds of applicable law.

9. MARKETING.

9.A. CENTER OPENING ADVERTISING.

We will require you to spend a minimum of four thousand dollars ($4,000.00) to advertise and promote the LEARNING CENTER during a center opening period that we designate. We may, in our discretion, consider pre-opening marketing activities as part of the $4,000.00 you must spend. You agree to comply with our guidelines for this center opening advertising program. Our Operations Manual defines the permissible marketing activities that can be applied toward this $4,000.00 spend requirement. If you are opening a New Center in Arizona, Florida, Oregon or Nevada, you will not be subject to this $4,000 spend requirement.

For New and Transfer Centers, we may reimburse you for up to $2,000 for center opening marketing expenses, provided you spend on certain marketing activities that we preapprove. Furthermore, we may reimburse you for additional marketing expenses. This additional marketing reimbursement, if you qualify, will be for four consecutive months, at $500 per month. The conditions and further benefits of both of these center opening marketing incentive programs are contained in our Operations Manual.

9.B. BRAND DEVELOPMENT FUND.

Recognizing the value of advertising and marketing to the goodwill and public image of Eye Level Learning Centers, we may establish a Brand Development Fund (the "Fund") for the advertising, marketing, and public relations programs and materials we deem appropriate. You agree to contribute to the Fund the amounts that we prescribe from time to time, not to exceed $1.00 per Subject-Student payable in the same manner as the Royalty. We will not charge a Brand Development Fund fee for students enrolled in Summit of Math. Eye Level Learning Centers that we or our affiliates own in the United States will contribute to the Fund on the same basis as franchise owners.

We have the right to collect for deposit into the Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Eye Level Learning Centers and with whom we have agreed that we will so deposit these allowances. (These payments are different from those which are not designated by suppliers to be used exclusively for advertising or similar purposes and which we and our affiliates therefore may use for any purposes we and they deem appropriate, as provided in Subsection 8.C. above.)

We will direct all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce Website, social media sites and/or related strategies; administering regional and multi-regional marketing

and advertising programs, including, without limitation, purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; new product research and development; quality control (including mystery shopper programs which may or may not include call recording); market research; talent fees; working with public relations firms and other advertising, promotion, and marketing activities.

The Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Fund separately from our other funds and not use the Fund for any of our general operating expenses. However, we may use the Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Fund, the Fund's other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, overhead relating to Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Fund and its programs, including, without limitation, conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund contributions.

The Fund will not be our asset. Although the Fund is not a trust, we will hold all Fund contributions for the benefit of the contributors and use contributions only for the purposes described in this Subsection. We do not owe any fiduciary obligation to you for administering the Fund or any other reason. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Fund contributions to pay costs before using the Fund's other assets.

We will prepare an annual, unaudited statement of Fund collections and expenses and give you the statement upon written request. We may have the Fund audited annually, at the Fund's expense, by an independent certified public accountant. We may incorporate the Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Subsection.

We intend the Fund to maximize recognition of the Marks and patronage of Eye Level Learning Centers. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Eye Level Learning Centers, we need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Fund contributions by Eye Level Learning Centers operating in that geographic area or that any Eye Level Learning Center benefits directly or in proportion to its Fund contribution from the development of advertising and marketing materials or the placement of advertising and marketing.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Fund. Except as expressly provided in this Subsection, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund.

We may at any time defer or reduce contributions of an Eye Level Learning Center franchise owner and, upon thirty (30) days' prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to our franchise owners, and to us and our affiliates, in proportion to their, and our, respective Fund contributions during the preceding twelve (12) month period.

9.C. YOUR ONGOING LOCAL MARKETING.

During the term of this Agreement, you have an obligation to vigorously promote the enrollment and retention of students at your LEARNING CENTER, and you must devote your best efforts to the development, management and operation of your LEARNING CENTER. You should not rely solely on our advertising, promotions, and goodwill in promoting your LEARNING CENTER.

Your local advertising and promotion must follow our guidelines. All advertising and promotional materials that you develop for your LEARNING CENTER must contain notices of our Website's domain name in the manner we designate.

We will assign you an Eye Level Learning Center microsite upon execution of the Franchise Agreement for the purposes of marketing your Learning Center. There is a one-time Eye Level set up charge of one hundred dollars ($100.00) to have a microsite. You must market and promote the LEARNING CENTER only from the assigned microsite. Your microsite can only be used for advertising and promoting your LEARNING CENTER. You may not distribute any of Daekyo's products or services via the Internet or any other computer network.

You must set up a Google Business Profile as part of the center opening process. We will retain co-ownership of your Google Profile listing. More information about setting up your Google Business profile is contained in our Operations Manual.

We will be and at all times remain the sole owner of the copyrights for all material which appears on your Web page(s). All content which you gather from visitors to your Web site will constitute "Confidential Information" as defined in Section 15.C. of this Agreement.

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators ("URL's") and, if we do, we may design and provide for the benefit of your LEARNING CENTER a "click through" subpage at each such website for the promotion of your LEARNING CENTER. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at each such website for the promotion of your LEARNING CENTER, you agree to routinely provide us with updated copy, photographs and news stories about your LEARNING CENTER suitable for posting on your LEARNING CENTER's "click through" subpage, the content, frequency and procedure of which will be specified in our Operations Manual.

You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time.

Before you use them, you agree to send us or our designated agency for approval samples of all advertising, promotional, and marketing materials which we have not prepared or previously

disapproved. If you do not receive written disapproval within five (5) days after we or our designated agency receives the materials, they are deemed to be approved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

You must pay for the full cost of your exterior signage, including initial installation, maintenance and repairs, electricity if it is illuminated, and the cost to remove it once the franchise relationship ends for any reason. The specifications for exterior signage are more fully explained in our Operations Manual.

9.D. COOPERATIVE ADVERTISING PROGRAMS.

We may designate an advertising coverage area ("ACA")-local or regional-in which two (2) or more Eye Level Learning Centers are located in order to establish a cooperative advertising program ("Cooperative Program") for that ACA. An ACA is the area covered by the particular advertising medium recognized in the industry. All franchise owners in the ACA will be required to participate. Each Eye Level Learning Center operating in the ACA will have one vote, including Eye Level Learning Centers operated by us or our affiliates. The franchise owners in the ACA will determine the amount of the required contributions to the Cooperative Program by vote.

We have the power to form, change, dissolve, or merge any Cooperative Program. Cooperative Programs will not operate from any written governing documents. The Cooperative is not required to prepare an annual financial statement. We will make available for your review any records showing payments to and expenses of any Cooperative Program in which you participate. The Cooperative will be operated solely as a conduit for the collection and expenditure of the Cooperative fees for the purposes outlined above. Your LEARNING CENTER may not benefit directly or proportionately to its contribution to the Cooperative. No advertising or promotional plans or materials may be used by the Cooperative or furnished to its members without first obtaining our approval.

10. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system, including a standard chart of accounts, conforming to the requirements and formats we prescribe from time to time. We may require you to use a Computer System to maintain certain sales data and other information and to report such information to us via a website or other means. You agree to give us in the manner and format that we prescribe from time to time:

(a) by April 15th of each year, annual profit and loss and source and use of funds statements and a balance sheet for the LEARNING CENTER as of the end of the prior calendar year;

(b) within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to the LEARNING CENTER and the Franchise.

You agree to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports, although we will not without your consent (unless required by law) disclose your identity in any materials that we circulate publicly. Moreover, we may, as often as we deem appropriate (including on a daily basis), access the Computer System and retrieve all information relating to the LEARNING CENTER operation.

You agree to preserve and maintain all records in a secure location at the LEARNING CENTER for at least one (1) year (including, but not limited to, sales checks, purchase orders, invoices, payroll records, client lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

In the event you fail to submit any complete and/or accurate report as required under this Section 10, you will be required to pay us a Late or Inaccurate Report Fee of two hundred dollars ($200.00) for the first month you fail to submit a complete and/or accurate report; five hundred dollars ($500.00) for the second month that you fail to submit a complete and/or accurate report; and five hundred dollars ($500.00) for each month thereafter that you fail to submit a complete and/or accurate report.

11. INSPECTIONS AND AUDITS.

11.A. OUR RIGHT TO VISIT OR INSPECT THE LEARNING CENTER

To determine whether you and the LEARNING CENTER are complying with this Agreement and all System Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) Visit or inspect the LEARNING CENTER; (2) photograph the LEARNING CENTER and observe and videotape the LEARNING CENTER's operation for consecutive or intermittent periods we deem necessary; (3) remove samples of any products and supplies; (4) interview the LEARNING CENTER's personnel and or customers (parents and children) previously or currently enrolled at the LEARNING CENTER; and (5) inspect and copy any books, records, and documents relating to the LEARNING CENTER's operation. You agree to cooperate with us fully. If we exercise any of these rights, we will not interfere unreasonably with the LEARNING CENTER's operation.

If we consult with you following a visit or inspection at the LEARNING CENTER, you shall incorporate any changes we require within a reasonable time period. You must promptly reply to all phone messages, emails or correspondence that we direct to you.

11.B. OUR RIGHT TO AUDIT.

We may at any time during your business hours, and without prior notice to you, examine your and the LEARNING CENTER's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of the LEARNING CENTER's Gross Sales, you agree to pay us, within fifteen (15) days after receiving the examination report, the Royalty and Fund contributions due on the amount of the

understatement, plus our service charges and interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals a Royalty or Fund contribution understatement exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

12. TRANSFER.

12.A. BY US.

We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

12.B. BY YOU.

You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your owners) and that we have granted you the Franchise in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) the LEARNING CENTER (or any right to receive all or a portion of the LEARNING CENTER's profits or losses or capital appreciation related to the LEARNING CENTER); (iii) substantially all of the assets of the LEARNING CENTER; (iv) any ownership interest in you (regardless of its size); or (v) any ownership interest in any of your owners (if such owners are legal entities). A transfer of the LEARNING CENTER's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect.

In this Agreement, the term "transfer" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition. An assignment, sale, gift, or other disposition includes the following events:

(a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;

(b) merger or consolidation or issuance of additional securities or other forms of ownership interest;

(c) any sale of a security convertible to an ownership interest;

(d) transfer of an interest in you, this Agreement, the LEARNING CENTER or substantially all of its assets, or your owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;

(e) if you, one of your owners, or an owner of one of your owners dies, a transfer of an interest in you, this Agreement, the LEARNING CENTER or substantially all of its assets, or your owner by will, declaration of or transfer in trust, or under the laws of intestate succession; or

(f) pledge of, or grant of a security interest in, this Agreement (to someone other than us) or of an ownership interest in you or your owners as security, foreclosure upon the LEARNING CENTER, or your transfer, surrender, or loss of the LEARNING CENTER's possession, control, or management. You may grant a security interest (including a purchase money security interest) in the LEARNING CENTER's assets (not including this Agreement) to a lender that finances your acquisition, development, and/or operation of the LEARNING CENTER without having to obtain our prior written approval as long as you give us ten (10) days' prior written notice.

12.C. CONDITIONS FOR APPROVAL OF TRANSFER.

If you (and your owners) are fully complying with this Agreement, then, subject to the other provisions of this Section 12, we will approve a transfer that meets all of the requirements in this Subsection.

If you are an entity, your owners may transfer a non-controlling ownership interest (aggregate of less than 51%) in you or your owners (determined as of the date on which the proposed transfer will occur) if: (1) the proposed transferee and its direct and indirect owners (if the transferee is an Entity) are of good character and otherwise meet our then applicable standards for Eye Level Learning Center franchise owners (including no ownership interest in or performance of services for a Competitive Business); and (2) you give us prior written notice of the transfer.

For any other proposed transfer (including a transfer of this Agreement, a transfer of a controlling ownership interest (51% or more) in you or one of your owners, or a transfer which is one of a series of transfers (regardless of the time period over which these transfers take place) which in the aggregate transfer this Agreement or a controlling ownership interest in you or one of your owners) all of the following conditions must be met before or concurrently with the effective date of the transfer:

(1) the transferee has sufficient business experience, aptitude, and financial resources to operate the LEARNING CENTER;

(2) you have paid all Royalties, Fund and Cooperative Program contributions, and other amounts owed to us, our affiliates, and third party vendors; have submitted all required reports and statements; and have not violated any provision of this Agreement, the Lease, or any other agreement with us during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(3) neither the transferee nor its owners (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(4) the transferee executes the Transfer Training Agreement (in the form attached hereto as **Exhibit 6**) and pays the Transfer Training Fee in the amount of one thousand dollars ($1,000.00).

(5) the transferee (or its Operating Principal) and Center Director satisfactorily completes our Foundational and Intensive training programs prior to taking over the Learning Center;

(6) your landlord allows you to transfer the Lease or sublease the Premises to the transferee;

(7) the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you or one of your owners), sign our then current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Royalty, Fund and Cooperative Program contributions;

(8) you pay us a transfer fee equal to five thousand dollars ($5,000.00);

(9) the transferee pays the then current franchise fee [the one thousand dollar ($1,000.00) training fee will be credited on your first statement if you open];

(10) you (and your transferring owners) sign a general release, in the form of **Exhibit 5** to this Agreement, of any and all claims against us and our shareholders, officers, directors, employees, and agents;

(11) we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the LEARNING CENTER;

(12) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in the LEARNING CENTER are subordinate to the transferee's obligation to pay Royalties, Fund contributions and Cooperative Program contributions, and other amounts due to us, our affiliates, and third party vendors and otherwise to comply with this Agreement;

(13) (a) you have corrected any existing deficiencies of the LEARNING CENTER and/or (b) the transferee agrees (if the transfer is of this Agreement) to upgrade, remodel, and refurbish the LEARNING CENTER in accordance with our then current requirements and specifications for Eye Level Learning Centers within the time period we specify following the effective date of the transfer (we will advise the transferee before the

effective date of the transfer of the specific actions that it must take and the time period within which such actions must be taken);

(14) you and your transferring owners (and your and your owners' spouses) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Subsection 15.D. below;

(15) you and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other Eye Level Learning Centers you own and operate) identify yourself or themselves or any business as a current or former Eye Level Learning Center or as one of our franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of an Eye Level Learning Center in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us;

(16) the transferee and you must work together at the LEARNING CENTER for at least one month (during regular scheduled learning center sessions) prior to the date of transfer and for at least one month following the date of transfer; and

(17) if the LEARNING CENTER is being transferred to a new owner and the monthly royalty at the time of transfer is less than $1,500, the minimum royalty amount stated in Section 3.B. will take effect after one year of operation.

We reserve the right to place limitations on the number of owners (currently three and all must reside in the same state as the franchised location) that may comprise a franchisee entity, and we can require at our sole discretion, that a least one of the Principals have a majority ownership in the entity.

Notwithstanding the foregoing, in the event of a 100% change in ownership interest, the incoming transferee must form and sign the Franchise Agreement as a new entity. You also are not eligible to transfer if the franchised location is not open for business.

We may review all information regarding the LEARNING CENTER that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding the LEARNING CENTER.

12.D. <u>TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY</u>.

Despite Subsection C above, if you are fully complying with this Agreement, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the LEARNING CENTER and, if applicable, other Eye Level Learning Centers, in which you maintain management control, and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, provided that all of the LEARNING CENTER's assets are owned, and the LEARNING CENTER's business is conducted, only by that single corporation or limited liability company. The corporation or limited

liability company must expressly assume all of your obligations under this Agreement, including (but not limited to) the obligation of its owners to sign **Exhibits 3 and 4-a** to this Agreement and to designate an Operating Principal for your LEARNING CENTER. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur. There is no transfer fee associated with a transfer pursuant to this section 12.D.

12.E. YOUR DEATH OR DISABILITY.

(1) **Transfer Upon Death or Disability**. Upon your or your Operating Principal's death or disability, your or the Operating Principal's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Managing Owner's ownership interest in you, to a third party (which may be your or the Managing Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed nine (9) months from the date of death or disability and is subject to all of the terms and conditions in this Section 12. A failure to transfer your interest in this Agreement or the Operating Principal's ownership interest in you within this time period is a breach of this Agreement.

The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent you or the Operating Principal from supervising the LEARNING CENTER's management and operation.

(2) **Operation Upon Death or Disability**. Upon your or the Operating Principal's death or disability, your or the Operating Principal's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed fifteen (15) days from the date of death or disability, appoint an Operating Principal. The Operating Principal must complete our standard training program at your expense. A new Center Director acceptable to us also must be appointed for the LEARNING CENTER, and that new Center Director must complete our standard training program, within sixty (60) days after the date of death or disability.

If, in our judgment, the LEARNING CENTER is not being managed properly any time after your or the Operating Principal's death or disability, we may, but need not, assume the LEARNING CENTER's management (or appoint a third party to assume its management). All funds from the LEARNING CENTER's operation while it is under our (or the third party's) management will be kept in a separate account, and all expenses will be charged to this account. We may charge you (in addition to the Royalty, Fund contributions, and other amounts due under this Agreement) five hundred dollars ($500) per day, plus our (or the third party's) direct out-of-pocket costs and expenses, if we (or a third party) assume the LEARNING CENTER's management under this subparagraph. We (or a third party) have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the LEARNING CENTER incurs, or to any of your creditors for any products, other assets, or services the LEARNING CENTER purchases, while we (or a third party) manage it.

12.F. EFFECT OF CONSENT TO TRANSFER.

Our consent to a transfer of this Agreement and the LEARNING CENTER, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the LEARNING CENTER's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement.

12.G. OUR RIGHT OF FIRST REFUSAL.

If you (or any of your owners) at any time determine to sell or transfer for consideration an interest in this Agreement and the LEARNING CENTER, or an ownership interest in you (except to or among your current owners, which is not subject to this Subsection), in a transaction that otherwise would be allowed under Subsections 12.B. and C above, you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and the LEARNING CENTER. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price.

The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Subsections B and C above. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you or your selling owner(s) within thirty (30) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

(1) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);

(2) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(3) we will have an additional thirty (30) days to prepare for closing after notifying you of our election to purchase; and

(4) we must receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including, without limitation, representations and warranties regarding: (a) ownership and condition of and title to ownership interests and/or assets; (b) liens and encumbrances relating to ownership

interests and/or assets; and (c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

If we exercise our right of first refusal, you and your selling owner(s) agree that, for two (2) years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Subsection 15.D. below. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Subsection.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Subsections B and C above. This means that, even if we do not exercise our right of first refusal (whether or not it is properly triggered as provided above), if the proposed transfer otherwise would not be allowed under Subsections B and C above, you (or your owners) may not move forward with the transfer at all.

If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the thirty (30) day period following either the expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

13. EXPIRATION OF THIS AGREEMENT.

13.A. RENEWAL PROCESS AND RENEWAL CONDITIONS

You have the right to renew the Franchise Agreement for additional terms of five years each if you satisfy the renewal conditions stated in Section 13. If we have not offered you a new franchise agreement by the time the term expires under Section 1.D., we may nonetheless allow you to continue operating your Center under the terms of this Agreement on a month-to-month basis. Either party may terminate such month-to-month extension, effective the last day of any calendar month, upon 30 days' notice to the other party. Should you not have signed a new franchise agreement by the time this Agreement expires under Section 1.D., we may elect to not offer you a new franchise agreement.

You must satisfy all the following conditions to renew the franchise agreement when this Agreement expires:

(1) you (and each of your owners) have substantially complied with this Agreement during its term;

(2) you (a) maintain possession of and agree (regardless of cost) to remodel and/or expand the LEARNING CENTER, add or replace improvements and Operating Assets, and otherwise modify the LEARNING CENTER as we require to comply with System Standards then applicable for new Eye Level Learning Centers, or (b) at your

option, you secure a substitute premises that we approve and you develop those premises according to System Standards then applicable for Eye Level Learning Centers;

(3) you agree to sign our then-current form franchise agreement, which may contain provisions that differ materially from any and all of those contained in this Agreement; and

(4) you agree to pay a renewal fee of one thousand dollars ($1,000.00).

We may charge you a Late or Inaccurate Report Fee if the renewal of the franchise agreement is late due to you not providing us the requested information or failure to provide fully and accurately all student information in our Key and Manager system.

Likewise, we may charge you a Non-Compliance fee if we issue a non-compliance letter related to the renewal of your franchise agreement for failure to provide us requested information pertaining to the renewal.

13.B. AGREEMENTS/RELEASES.

If you satisfy all of the other conditions for a renewal franchise agreement, you and your owners agree to execute the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for Eye Level Learning Centers, which may contain provisions that differ materially from any and all of those contained in this Agreement. You and your owners further agree to sign general releases, in the form of **Exhibit 5** to this Agreement, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors, and assigns. We will consider your or your owners' failure to sign these agreements and releases and to deliver them to us for acceptance and execution within thirty (30) days after their delivery to you to be an election not to renew the franchise.

14. TERMINATION OF AGREEMENT.

14.A. BY YOU.

If you and your owners are fully complying with this Agreement and we materially fail to comply with this Agreement and do not correct the failure within thirty (30) days after you deliver written notice of the material failure to us or, if we cannot correct the failure within thirty (30) days, give you within thirty (30) days after your notice reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate this Agreement effective an additional thirty (30) days after you deliver to us written notice of termination. (The time period during which we may cure any material failure to comply with this Agreement after receiving notice from you is called the "Cure Period.") However, if we send you written notice during the Cure Period indicating either that (1) we do not agree that we have materially failed to comply with this Agreement or (2) we have fully corrected the failure, then you may not terminate this Agreement and the Early Termination Fee explained directly below will apply.

You must pay us Liquidated Damages (as set forth below) and an additional Early Termination Fee of four thousand dollars ($4,000.00) if you terminate this Agreement before its natural

expiration without cause to compensate us for certain damages we will suffer (and not a penalty for breaching the Agreement). The fee is payable upon notice to us that you will exercise Early Termination. This fee will be payable by EFT and is non-refundable. As part of the consideration to allow you to terminate this Agreement without cause, you and your owners further agree to sign general releases, in the form of **Exhibit 5** to this Agreement, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors, and assigns.

14.B. BY US.

We may terminate this Agreement, effective upon delivery of written notice of termination to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in acquiring the Franchise or operating the LEARNING CENTER;

(2) you do not locate, and sign a Lease for an acceptable site for the Premises within nine (9) months after the Effective Date;

(3) you do not open the LEARNING CENTER for business within one (1) year after the Effective Date;

(4) you (or your Operating Principal if you are an entity) and Center Director do not satisfactorily complete the New Franchisee Training program;

(5) you fail to pay us (or our affiliates) any amounts due and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(6) you advertise or permit activities at the Premises other than those activities related to the operation of an Eye Level Learning Center, in violation of Section 2.B. of this Agreement;

(7) you relocate your Premises without first obtaining our prior written permission, as required by Section 2.B. of this Agreement;

(8) you engage in a Competing Business in violation of Section 7 of this Agreement.

(9) you abandon or fail actively to operate the LEARNING CENTER for three (3) or more consecutive business days, unless you close the LEARNING CENTER for a purpose we approve or because of casualty or government order;

(10) you fail to adhere to our full-time devotion requirement pursuant to Section 8.E. of this Agreement.

(11) you fail to spend four thousand dollars ($4,000.00) on permissible marketing activities during the grand opening marketing period that we designate pursuant to Section 9.A. of this Agreement.

(12) you (or your owners) make or attempt to make any transfer in violation of Section 12 of this Agreement;

(13) you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony;

(14) you fail to maintain the insurance we require and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(15) you (or any of your owners) engage in any dishonest, unprofessional or unethical conduct which, in our opinion, adversely affects the LEARNING CENTER's reputation or the goodwill associated with the Marks;

(16) you lose the right to occupy the Premises and fail (a) to begin immediately to look for a substitute site or (b) to locate a substitute site, and to begin operating the LEARNING CENTER from that substitute site, within ninety (90) days;

(17) you (or any of your owners) knowingly make any unauthorized use or disclosure of any part of the Operations Manual or any other Confidential Information;

(18) you violate any health, safety, or sanitation law, ordinance, or regulation, or operate the LEARNING CENTER in an unsafe manner, and do not begin to cure the violation immediately, and correct the violation within seventy-two (72) hours, after you receive notice from us or any other party;

(19) you fail to pay when due any federal or state income, service, sales, or other taxes due on the LEARNING CENTER's operation, unless you are in good faith contesting your liability for these taxes;

(20) you understate the LEARNING CENTER's Gross Sales three (3) times or more during this Agreement's term or by more than five percent (5%) on any one occasion (we may refer to this as underreporting of Subject-Students);

(21) you (or any of your owners) fail to comply with this Agreement, whether or not we notify you of the failure, and, if we do notify you of the failure, whether or not you correct the failure after our delivery of notice to you;

(22) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; the LEARNING CENTER is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated

within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of you or the LEARNING CENTER is not vacated within thirty (30) days following the order's entry;

(23) your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation;

(24) you fail to address any complaint from a student or a student's parent or guardian in a manner that is prompt, professional and that complies with System Standards;

(25) You habitually fail to return telephone messages, emails, or correspondence directed to you from us in violation of Section 11.A., or you fail to vigorously promote the LEARNING CENTER in violation of Section 9.C.

(26) You have zero enrollment activity for 3 months in a row. Zero enrollment is defined as having no new enrollment in any Subject offered at the LEARNING CENTER for a month when compared to the previous month's enrollment.

(27) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you.

14.C. <u>ASSUMPTION OF MANAGEMENT</u>.

We have the right (but not the obligation), under the circumstances described below, to enter the Premises and assume the LEARNING CENTER's management (or to appoint a third party to assume its management) for any period of time we deem appropriate. If we (or a third party) assume the LEARNING CENTER's management under subparagraphs (1) and (2) below, you agree to pay us (in addition to the Royalty, Fund contributions, Cooperative Program payments and other amounts due under this Agreement) five hundred dollars ($500) per day, plus our (or the third party's) direct out-of-pocket costs and expenses, for up to sixty (60) days after we assume management. We (or the third party) will have the right to pay the expenses of operating the LEARNING CENTER from its operating bank account.

If we (or a third party) assume the LEARNING CENTER's management, you acknowledge that we (or the third party) will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the LEARNING CENTER incurs, or to any of your creditors for any supplies, products, or other assets or services the LEARNING CENTER purchases, while we (or the third party) manage it.

We (or a third party) may assume the LEARNING CENTER's management under the following circumstances: (1) if you abandon or fail actively to operate the LEARNING CENTER; (2) if you fail to comply with any provision of this Agreement or any System Standard and do not cure the failure within the time period we specify in our notice to you; or (3) if this Agreement expires or is terminated and we are deciding whether to exercise our option to purchase the LEARNING CENTER under Subsection 15.E. below.

If we exercise our rights under subparagraphs (1) or (2) above, that will not affect our right to terminate this Agreement under Subsection 14.B. above.

15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.

15.A. PAYMENT OF AMOUNTS OWED TO US.

You agree to pay us within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we determine the amounts due to us, the Royalties, Fund contributions, Cooperative Program payments, interest, and all other amounts owed to us (and our affiliates) which then are unpaid.

You also acknowledge and agree that if we terminate this Agreement due to a default by you under this Agreement or if you terminate this Agreement without cause or otherwise abandon the LEARNING CENTER, we will incur damages, the actual amount of which would be speculative and difficult to calculate. As such, you agree to pay us, within fifteen (15) days after the effective date of such termination or abandonment, in addition to all other amounts then owed to us under the Agreement, the agreed upon liquidated damages amount equal to the average monthly Royalty Fee you owed during the twelve (12) months of operation preceding the effective date of termination or abandonment multiplied by the lesser of (a) six (6) (being the number of months, or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages and not a penalty or punitive in nature. The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and damages arising from a violation of any provision of this Agreement other than the Royalty Fee Section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fees Section.

15.B. MARKS.

When this Agreement expires or is terminated:

(1) you may not directly or indirectly at any time or in any manner (except with other Eye Level Learning Center you own and operate) identify yourself or any business as a current or former Eye Level Learning Centers or as one of our current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of an Eye Level Learning Center in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(2) you must remove exterior signage at the former Eye Level Center within ten (10) days and forward photos as proof that such exterior signage has been removed.

(3) you agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(4) you agree to deliver to us within thirty (30) days all signs, sign-faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to an Eye Level Learning Center that we request and allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove these items from the LEARNING CENTER. We will disable your website and email address assigned to you;

(5) if we do not have or do not exercise an option to purchase the LEARNING CENTER under Subsection E below, you agree promptly and at your own expense to make the alterations we specify to distinguish the LEARNING CENTER clearly from its former appearance and from other Eye Level Learning Centers in order to prevent public confusion;

(6) you agree to notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, facsimile, or other numbers and telephone directory listings associated with any Mark; to authorize the transfer of these numbers and directory listings to us or at our direction; and/or to instruct the telephone company to forward all calls made to your numbers to numbers we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events;

(7) you agree to immediately disable any social media platforms previously approved that were associated with the Eye Level Learning Center and if you do not, we have the right to disable such sites on your behalf by contacting the provider or owner of the social media sites ourselves; and

(8) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

15.C. CONFIDENTIAL INFORMATION AND CUSTOMER LIST.

You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the Franchise System) or Instructional Materials in any business or otherwise and return to us all copies of the Operations Manual and any other confidential materials that we have loaned you. Furthermore, you will provide to us electronic and hard copies of your student list and any other information concerning your students, and you will delete any electronic copies of your student list from your Computer System. After delivering copies of your student list to us, you shall delete and destroy all other electronic and hard copies of the list.

15.D. COVENANT NOT TO COMPETE.

You agree to the following restrictions in relation to competition. Upon:

(1) our termination of this Agreement according to its terms and conditions,

(2) your termination of this Agreement without cause, or

(3) expiration of this Agreement (if we offer, but you elect not to renew the franchise agreement, or if we do not offer you to renew the franchise agreement due to your failure to satisfy the conditions for renewal set forth in Section 13)

you and your owners agree that, for two (2) years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Subsection begin to comply with this Subsection, whichever is later, neither you nor any of your owners will have any direct or indirect interest (e.g., through a spouse) as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, or agent in any Competitive Business (as defined in Section 7 above) located or operating:

(a) at the Premises;

(b) within a twenty five (25) mile radius of the Premises;

(c) within twenty five (25) miles of any other Eye Level Learning Center in operation or under construction on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Subsection begin to comply with this Subsection.

Further, upon:

(1) our termination of this Agreement according to its terms and conditions,

(2) your termination of this Agreement without cause, or

(3) expiration of this Agreement (if we offer, but you elect not to renew the franchise agreement, or if we do not offer you to renew the franchise agreement due to your failure to satisfy the conditions for renewal set forth in Section 13)

you and your owners agree that, for two (2) years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Subsection begin to comply with this Subsection, whichever is later, neither you nor any of your owners may solicit student or parents of any students enrolled at any Eye Level Learning Center for the purpose of enrolling such students in any Competing Business.

These above restrictions on competition also apply after transfers, as provided in Section 12.C. (14) above or if you sell your interest in the franchise. If any person restricted by this Subsection refuses voluntarily to comply with these obligations, the two (2) year period for that person will commence with the entry of a court order enforcing this provision. You and your owners expressly

acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Subsection will not deprive you of your personal goodwill or ability to earn a living.

15.E. OUR RIGHT TO PURCHASE CERTAIN ASSETS OF THE LEARNING CENTER.

Upon termination of this Agreement, or upon expiration of this Agreement without renewal, we shall have the right and option, but not the obligation, to purchase the furniture, fixtures and/or computers from the LEARNING CENTER at a purchase price equal to the then-current book value of the items purchased determined using the straight-line method of depreciation. If we elect to exercise this option, we will deliver written notice to you of our election within thirty (30) days after the date of termination or expiration of this Agreement. We will have the right to inspect these items at any time during this thirty day period. If we elect to purchase any or all of the aforementioned items, we will be entitled to, and you must provide, all customary warranties and representations relating to the purchase, including, without limitation, representations and warranties as to the maintenance, function and condition of the items and your good title to the items (including that you own them free and clear of any liens and encumbrances).

15.F. CONTINUING OBLIGATIONS.

All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

15.G. ROSTER OF STUDENTS.

Upon termination or expiration of this Agreement, you must cooperate with us and follow our instructions to ensure an orderly transition of the students of the LEARNING CENTER. We may, at our option and without limitation require you to:

(1) transfer some or all of the students to another Eye Level Learning Center; or

(2) refund some or all of the tuition paid by students for programs that the students have not yet completed; and/or

(3) take such other action as we may direct to ensure the orderly transition of such students.

Once we terminate the Agreement or you provide us notice to terminate (see Section 14.A.) we have the right to notify students, parents, and other Eye Level franchisees by any means of communication we deem appropriate that your LEARNING CENTER will be closed.

15.H. REMAINING INVENTORY.

Upon termination of this Agreement, or upon expiration of this Agreement without renewal, you are required to return any and all remaining Eye Level inventory within 30 days, including, but not limited to, booklets and other related material.

Upon the termination or expiration (without renewal) of the Franchise Agreement, you must return to us an amount of unused (and in usable condition) Booklets at least equal to the opening inventory amount we provide to you. We will charge two dollars ($2.00) per Booklet for any deficiency that exists between the number of unused Booklets provided at the start of the franchise relationship as compared to the number of unused Booklets when the franchise relationship ends for any reason. We may also credit the Booklet Security Deposit to any other amounts owed to us by you at the time of termination or expiration of this Agreement. For shipment of our Booklets back to our Distribution Center when the franchise relationship ends, we will initially pay for the costs but will then make an Electronic Funds Transfer to your authorized account for the shipping costs we incurred. If any credit balance remains on the Booklet Security Deposit after the above possible charges, we will refund that amount to you. You will not receive any interest on the Booklet Security Deposit. The Booklet Security Deposit shall be maintained by us in a separate account.

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

16.A. INDEPENDENT CONTRACTORS.

You understand and agree that you are and will be our independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. None of your employees will be considered to be our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency.

We will not have the power to hire or fire your employees. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your franchised business does not directly or indirectly vest in us the power to hire, fire or control any such employee.

You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your franchised business and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the Daekyo's franchise system which you are required to comply with under this Agreement, whether set forth in our Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your franchised business, which you alone control, but only constitute

standards you must adhere to when exercising your control of the day-to-day operations of your franchised business.

You may not, without our prior written approval, have any power to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement.

Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over your business. Except as otherwise expressly authorized by this Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and franchisee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the franchised business.

16.B. NO LIABILITY FOR ACTS OF OTHER PARTY.

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of the LEARNING CENTER's operation or the business you conduct under this Agreement.

16.C. TAXES.

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or the LEARNING CENTER, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

16.D. INDEMNIFICATION.

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective shareholders, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the LEARNING CENTER's operation, the business you conduct under this Agreement, or your breach of this Agreement, including, without limitation, those alleged to be or found to have been caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court of competent jurisdiction.

For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending

any claim against it, including, without limitation, reasonable accountants', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this subparagraph.

17. ENFORCEMENT.

17.A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a successor franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

17.B. WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice

to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Eye Level Learning Centers; the existence of franchise agreements for other Eye Level Learning Centers which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect. Nothing in this Agreement shall require the need for legal process prior to our taking any enforcement actions permitted under this Agreement, including termination.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalties or Fund and Cooperative contributions due afterward.

17.C. COSTS AND ATTORNEYS' FEES.

If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur, including, without limitation, reasonable accounting, attorneys', and related fees.

17.D. RIGHTS OF PARTIES ARE CUMULATIVE.

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

17.E. GOVERNING LAW.

THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY, WITHOUT REGARD TO ITS CONFLICT OF LAWS

RULES, EXCEPT THAT ANY NEW JERSEY LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SUBSECTION.

17.F. CONSENT TO JURISDICTION.

SUBJECT TO THE PROVISIONS BELOW, YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN WHOSE DISTRICT OUR HEADQUARTERS IS THEN LOCATED, AND YOU (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION YOU (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, YOU AND YOUR OWNERS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE LEARNING CENTER IS LOCATED.

17.G. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD PARTY CLAIMS UNDER SUBSECTION 16.D., AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

17.H. BINDING EFFECT.

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Operations Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

17.I. LIMITATIONS OF CLAIMS.

Except for claims arising from your non-payment or underpayment of amounts you owe us, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial proceeding is commenced within eighteen (18) months from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims.

17.J. CONSTRUCTION.

The preambles and exhibits are a part of this Agreement which, together with the System Standards contained in the Operations Manual (which may be periodically modified, as provided in Subsections 4.D., 8, and 17.H. above), constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or the LEARNING CENTER (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement) except that nothing in this paragraph is intended to disclaim the representations made in the Franchise Disclosure Document.

Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as provided in Subsection 17.D., nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to "we," "us," and "our," with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term "affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. "Control" means the power to direct or cause the direction of management and policies.

If two or more persons are at any time the owners of the Franchise and the LEARNING CENTER, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to "owner" or “principal” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and the LEARNING CENTER or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or the LEARNING CENTER and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

References to a "controlling ownership interest" in you or one of your owners (if an Entity) mean the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a "controlling ownership interest" is involved must be made as of both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).

"Person" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The term "LEARNING CENTER" includes all of the assets of the Eye Level Learning Centers you operate under this Agreement, including its revenue and the Lease.

This Agreement may be executed in multiple copies, each of which will be deemed an original.

18. NOTICES AND PAYMENTS.

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Operations Manual will be deemed to be delivered:

(a) at the time delivered by hand;

(b) at the time delivered via computer transmission and, in the case of the Royalty, Fund contributions, and other amounts due, at the time we actually receive payment via the EFT;

(c) one (1) business day after transmission by facsimile or email if the sender has confirmation of successful transmission;

(d) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or

(e) three (3) business days after placement in the United States Mail by Registered or Certified Mail.

Any notice to us must be sent to the address specified on the first page of this Agreement, although we may change this address for notice by giving you notice of the new address. Any notice that we send to you may be sent only to you, or if you are an entity, to the Operating Principal identified on **Exhibit 1** of this Agreement, even if you have multiple owners, at the email or postal address specified on **Exhibit 1**.

Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

19. COMPLIANCE WITH ANTI-TERRORISM LAWS.

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal,

state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Subsection 14.B.(21) above.

20. ELECTRONIC MAIL.

You acknowledge and agree that exchanging information with us by email is efficient and desirable for day-to-day communications and that we and you may utilize email for such communications. You authorize the transmission of email by us and our employees, vendors, and affiliates ("**Official Senders**") to you during the term of this Agreement.

You further agree that: (a) Official Senders are authorized to send emails to those of your employees as you may occasionally authorize for the purpose of communicating with us; (b) you will cause your officers, directors, and employees to give their consent to Official Senders' transmission of emails to them; (c) you will require such persons not to opt out or otherwise ask to no longer receive emails from Official Senders during the time that such person works for or is affiliated with you; and (d) you will not opt out or otherwise ask to no longer receive emails from Official Senders during the term of this Agreement.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

DAEKYO AMERICA, INC.,
a California corporation

By:_____
_____, [Title]

DATED*:_____
(*Effective Date of this Agreement)

FRANCHISE OWNER

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[signature of person signing on behalf of entity]

Title of Signer:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[signature of individual franchisee]

Print Name:_____

DATED:_____

EXHIBIT 1

TO THE FRANCHISE AGREEMENT

LISTING OF OWNERSHIP INTEREST

Effective Date: This Exhibit A is current and complete as of _____, 20___

You and Your Owners

1. **Form of Owner**. (Choose (a) or (b))

(a) **Individual Proprietorship**. List individual(s):

_____

_____

_____

(b) **Corporation, Limited Liability Company, or Partnership.** (CIRCLE ONE) You were incorporated or formed on _____(DATE ENTITY WAS FORMED), under the laws of the State of _____. The official name of your entity is _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name. The following is a list of your directors, partners or members, as applicable, and officers as of the effective date shown above:

Name of Each Director/Officer	Position(s) Held

2. **Owners**. The following list includes the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Owner's Name	**Percentage/Description of Interest**
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

3. **Identification of Operating Principal**. Your Operating Principal as of the Effective Date is (insert name)_____ (must be one of the individuals listed in paragraph 2 above). You may not change the Operating Principal without prior written approval. The Operating Principal is the person to receive communications from Daekyo and Notice for Franchise Owner.

Address to Send Official Communications:_____

_____

_____

Email Address: _____

[Signatures on following page.]

DAEKYO AMERICA, INC.,
a California corporation

By:_____
_____, [Title]

DATED*:_____
(*Effective Date of this Agreement)

FRANCHISE OWNER

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[signature of person signing on behalf of entity]

Title of Signer:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[signature of individual franchisee]

Print Name:_____

DATED:_____

EXHIBIT 2

TO THE FRANCHISE AGREEMENT

PREMISES

1. The **Name** of the LEARNING CENTER shall be:
_____.

2. The **Premises** of the LEARNING CENTER will be located at:

_____
_____
_____
_____.

[Signatures on following page.]

DAEKYO AMERICA, INC.,
a California corporation

By:_____
_____, [Title]

DATED*:_____
(*Effective Date of this Agreement)

FRANCHISE OWNER

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[signature of person signing on behalf of entity]

Title of Signer:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[signature of individual franchisee]

Print Name:_____

DATED:_____

EXHIBIT 3

TO THE FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 202__

By (list each guarantor):

_____

_____

_____

_____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "Agreement") on this date by DAEKYO AMERICA, INC. ("us," "we," or "our"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ ("Franchisee") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice

of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

If we are required to enforce this Guaranty in a judicial proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be commenced in the state or federal court of general jurisdiction in whose district our headquarters is then located and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any awards in the courts of the state or states in which he or she is domiciled.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

Signatures of Each Guarantor	**Percentage of Ownership in Franchisee**
_____	_____%
_____	_____%
_____	_____%
_____	_____%
_____	_____%

EXHIBIT 4-a

TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY/NON COMPETITION AGREEMENT

(For Principals--Officers, Shareholders, General Partners and Members and Spouses)

Entity Name: _____

Eye Level Learning Center Location: _____

Your Name: _____

Home Address: _____

I agree that during the term of my (or my spouse's) association with the Eye Level Learning Center identified above, I may not without Daekyo's written consent:

1. Own, operate, be employed by, provide financing or other assistance or facilities to, or have any interest or association in, (i) any business or other organization that provides tutoring, teaching or other supplemental education services in math, reading or writing; or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than an Eye Level Learning Center operated under a franchise agreement with Daekyo). (A "Competing Business").

2. For two (2) years after ending my (or my spouse ending his/her) association with the Eye Level Learning Center identified above, have any interest in or association with a Competing Business that is operating (i) at the premises identified above; (ii) within twenty-five (25) miles of the Eye Level Learning Center identified above; or (iii) within twenty (25) miles of any other franchised or company-owned Eye Level Learning Center in operation or under construction. I agree that this restriction will not keep me from earning a livelihood, and I understand that its purpose is to protect the goodwill of Daekyo and its other franchisees.

3. For two (2) years after ending my(or my spouse ending his/her) association with the Eye Level Learning Center identified above, have any contact with any students enrolled at any Eye Level Learning Center for the purpose of enrolling them in any Competing Business.

4. At any time during or after my (or my spouse's) association with the Eye Level Learning Center identified above, disclose any confidential information that I obtained as a result of that association to any unauthorized person, copy or reproduce, or use for any purpose other than the operation of the Eye Level Learning Center identified above any confidential information of Daekyo that may

be communicated to me. Confidential Information means all proprietary trade secrets, curriculum, specifications, security protocols, computer hardware and systems, technology and equipment used, methods of business practices and management, research and development, training processes, operational manuals, presentation materials, vendor agreements, supplier lists, vendor lists, marketing and merchandising strategies, plans for new product or service offerings, and experience in the operation of the Franchised Business (the "Confidential Information"). Confidential Information shall also expressly include all family and student personal information.

5. If a court determines that any of these restrictions is overbroad, I agree to be bound by any lesser restriction that the court determines to be enforceable. **I acknowledge that violation of any of these restrictions would result in immediate and irreparable injury to Daekyo. Accordingly, I consent to the entry of an injunction prohibiting me from violating these restrictions.**

6. Local laws may affect the enforceability of portions of this document. Should I have any questions in this regard, you are encouraged to seek independent legal advice prior to the execution of this document.

7. I agree that the governing law and methods of dispute resolution outlined in the Franchise Agreement shall apply to this Agreement as well.

_____/_____
Signature **Date**

_____/_____
Signature **Date**

_____/_____
Signature **Date**

EXHIBIT 4-b

TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AGREEMENT

(For Employees 18 Years or Older)

Entity Name: _____

Eye Level Learning Center Location: _____

Your Name: _____

Home Address: _____

1. Pursuant to a Franchise Agreement dated _____, 20___ (the "Franchise Agreement"), _____ (the "Franchisee") has acquired the right and franchise from Daekyo America, Inc. (the "Company") to establish and operate an Eye Level Learning Center (the "Franchised Business") and the right to use in the operation of the Franchised Business the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only in the following authorized Premises: _____ (the "Premises").

2. The Company, as the result of the expenditure of time, skill, effort and resources, has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Eye Level Learning Centers. The Company possesses proprietary and confidential information relating to the operation of the System, which includes proprietary trade secrets, curriculum, specifications, security protocols, computer hardware and systems, technology and equipment used, methods of business practices and management, research and development, training processes, operational manuals, presentation materials, vendor agreements, supplier lists, vendor lists, marketing and merchandising strategies, plans for new product or service offerings, and experience in the operation of the Franchised Business (the "Confidential Information"). Confidential Information shall also expressly include all family and student personal information that I obtain or have access to during my employment.

3. In consideration for my position as _____of the Franchisee and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree to the terms of this Confidentiality Agreement (the "Agreement").

4. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

5. The Company and Franchisee may disclose the Confidential Information to me via training programs, the Company's Confidential Operations Manuals (the "Manuals"), access to student registration information and other general assistance.

6. I will not acquire any interest in the Confidential Information, other than the right to utilize it in performing my duties for the Franchised Business and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition. I covenant that I will not forward or provide the Confidential Information to any third party, nor store it on any personal or third party electronic device, disk, drive, or otherwise, unless expressly authorized to do so by the Company.

7. Any work performed by me with the Franchisee and any derivative works created by me using the Confidential Information or any proprietary information of the Company are considered "works made for hire" and I will have no ownership interest in the items created.

8. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my association with the Franchisee, and will continue not to disclose or use any such information even after I cease to be associated with the Franchisee, unless I can demonstrate that such information has become generally known to the public or easily accessible other than by the breach of an obligation of the Franchisee under the Franchise Agreement, a breach of the employees or associates of the Franchisee, or a breach of my own duties or the duties hereunder.

9. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. In the event any provision of this Agreement is ever deemed to exceed the limits permitted by any applicable law, the provisions set forth herein will be reformed to the extent necessary to make them reasonable and enforceable. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the remaining provisions, all of which are severable and will be given full force and effect.

10. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

11. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee 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, in addition to any other remedies available to them, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), 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 have against the Franchisee or the Company is a separate matter and does not entitle me to violate or justify any violation of this Agreement.

12. This is not a contract for employment and does not guaranty my employment for any set period of time. I agree and understand that I have no employment relationship with the Company.

13. The parties waive, to the fullest extent permitted by law, any right they may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement, whether based in contract, tort, statute (including any federal or state statute, law, ordinance or regulation), or any other legal theory.

14. Any dispute in the meaning, understanding, effect, interpretation or validity of this Agreement will be resolved in accordance only with the laws of the state of my employment. The only way this Agreement can be changed is in writing signed by the Company, Franchisee and me.

15. This Agreement will be binding upon and inure to the benefit of all parties including my heirs, personal representatives, successors and assigns and Franchisee's and Company's officers, directors, executives, employees, representatives, successors, agents and assigns.

16. I understand that this Agreement may and will be assigned or transferred to, and will be binding upon and will inure to the benefit of, any successor of the Company, and any successor will be deemed substituted, for all purposes, as the "Company" under the terms of this Agreement. As used in this Agreement the term "successor" will mean any person, firm, corporation, or business entity which at any time, whether by merger, purchase or otherwise, acquires all or substantially all of the assets of the business of the Company. I acknowledge that the services to be rendered by me in my employment are unique and personal. Accordingly, I may not assign any of my rights nor delegate any of my duties or obligations under this Agreement.

17. Local laws may affect the enforceability of portions of this document. Should I have any questions in this regard, I have been advised to seek independent legal advice prior to the execution of this document.

[Signatures on following page.]

_____/_____/_____

Signature **Witness Signature** **Date**

_____/_____/_____

Signature **Witness Signature** **Date**

_____/_____/_____

Signature **Witness Signature** **Date**

ACKNOWLEDGED BY FRANCHISEE

By:_____

Name:_____

ACKNOWLEDGED BY COMPANY

By:_____

Name:_____

EXHIBIT 5

TO THE FRANCHISE AGREEMENT

GENERAL RELEASE

TRANSFER, RENEWAL, VOLUNTARY TERMINATION

Please check one:

Transfer ☐ Renewal ☐ Voluntary Termination ☐

In this General Release, certain Terms are defined as follows:

1. "You". Individual(s) or entity who signed the Daekyo America, Inc. Franchise Agreement and any individual having any ownership interest in the entity as indicated in Exhibit 1 to the Daekyo America Franchise Agreement.

2. "Related Parties". All affiliates of Daekyo America, Inc. and all of Daekyo America, Inc.' s (and its affiliates) past and present officers, directors, shareholders, agents, attorneys, contractors and employees.

Pursuant to the Franchise Agreement You entered into with Daekyo, You are required to sign a General Release as a condition precedent to one of the following events occurring: (A) transfer of the Eye Level Learning Center; (B) renewal of Franchise Agreement or (C) voluntarily terminating the Franchise Agreement (the box checked above indicates the specific case for which this General Release applies).

You agree as follows:

1. In consideration of Daekyo's willingness to allow You to do the action that is checked off above, You hereby release Daekyo and Related Parties (as defined above) from any and all claims demands, actions, causes of action, debts, obligations, and liabilities, whether known or unknown, vested or contingent (collectively, "Claims") arising out of or related to the Franchise Agreement or the Daekyo Center(s) operated by you. You acknowledge that Daekyo is not required to give me, and is not giving me, a reciprocal release.
   You are giving this Release on behalf of yourself, your heirs, executors, successors and assigns, and any other person claiming through or under You. This Release applies to any transaction, event, or circumstance relating to the Franchise Agreement or the Daekyo Center(s) on or before the date of this Release.

2. You understand that Daekyo may be wrong about facts that we know or believe to be true at the time of signing this Release. You accept and assume the risk of the facts turning

out to be different, and You agree that this Release will not be subject to termination or rescission by virtue of any such difference in facts.

3. You represent that You have not assigned to any person or entity any Claim covered by this Release. You acknowledge that this Release will be a complete defense to any Claim that it covers, and that You consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

4. If any person or entity signing this Release is domiciled or has his or its principal place of business in the State of California, that person or entity hereby waives all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

5. This General Release does not apply with respect to claims arising out of the Washington Franchise Investment Protection Act, RCW 19.100 and the rules adopted thereunder.

Agreed:

You: _____

Entity: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT 6

TO FRANCHISE AGREEMENT

TRANSFER TRAINING AGREEMENT

THIS TRANSFER TRAINING AGREEMENT (the "Agreement") is entered into and made effective _____(the "Effective Date"), by and between Daekyo America, Inc., a California Corporation with its principal business address at 1310 Palisade Avenue, Fort Lee, NJ 07024 ("**Franchisor**") and_____ ("**Transferee**").

WHEREAS, Franchisor grants franchises for the development and operation of Eye Level Learning Centers to persons or entities meeting Franchisor's qualifications;

WHEREAS, Transferee has expressed an interest in acquiring and/or operating an existing Eye Level Learning Center located at _____ (the "Center");

WHEREAS, Transferee understands and agrees that Franchisor has mandated that Transferee participate in its Foundational and Intensive training programs (the "Training") as a condition of Franchisor entering into a franchise agreement with Transferee and approving Transferee's acquisition and/or operation of the Learning Center;

NOW, THEREFORE, in consideration of the above and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. **New Franchisee Training**. Participation in Franchisor's New Franchisee Training is required before Transferee can execute a franchise agreement with Franchisor. Participation in Franchisor's New Franchisee Training is also required to commence operations at the Learning Center. Transferee (or, if Transferee is an entity, Transferee's Operating Principal) and Transferee's Center Director must attend Foundational and Intensive trainings.

Prior to attending New Franchisee Training, "Self-Directed Learning 1" modules must be completed by the assigned deadline. The New Franchisee Training program will cover the material aspects of operating an Eye Level Learning Center and will be held at Franchisor's HQ Office located in New Jersey for four days or online, (at our discretion). After attending New Franchisee Training, "Self-Directed 2" modules must be completed by the assigned deadline.

Franchisor will not be held liable to Transferee for any delays in the transfer of operations of the Center and/or associated damages, caused in whole or in part, by scheduling conflicts or the unavailability of New Franchisee Training. This Agreement does not provide Transferee with any rights to operate the Center. Attendance at and/or participation in our initial training programs (all

our trainings prior to opening) does not guarantee that the transfer of the Center will ultimately be approved and/or completed.

2. **Fees**. New Franchisee Training will be provided at a cost of one thousand dollars ($1,000.00) for up to two (2) attendees. If Transferee signs a Franchise Agreement, the training fee will be credited towards the franchise fee on Transferee's first statement. Transferee will pay the full ten thousand dollars ($10,000.00) franchise fee upon signing the Franchise Agreement. Transferee is responsible for paying the then current training charge for all additional attendees. Transferee is solely responsible for all travel and living expenses Transferee or Transferee's employees incur while attending any initial training session, including, but not limited to, the cost of food, lodging, transportation, incidentals and personal expenses. Additionally, Transferee is solely responsible for paying Transferee's employees any necessary wages during any training session and for securing any necessary insurance, including workers' compensation. All training fees set forth in this Section 2 are not refundable under any circumstances.

3. **Indemnification**. Transferee agrees to indemnify and defend Franchisor and its subsidiaries and affiliates, and each of their officers, directors, employees and agents, for any and all liabilities including, without limitation, all claims, demands, actions, causes of action, suits, grievances, settlements, and/or out-of-pocket losses or expenses (including attorneys' fees and court costs) arising out of Transferee and/or Transferee's employees attendance at or participation in our training programs.

4. **Training Materials**. All written materials provided by Franchisor to Transferee and/or Transferee's employees during any training session (the "Training Materials") are the property of Franchisor and are for training purposes only. The Training Materials are proprietary materials of Franchisor and may contain copyrighted information and/or may contain the registered trademark of Franchisor. Training Materials cannot be duplicated and/or removed from the training location without the express written consent of Franchisor.

5. **Confidentiality**. During the Training, Transferee and Transferee's employees may have access to and/or be provided with confidential information of Franchisor. Confidential Information will consist of information which is possessed by Franchisor that it not readily available to or known by the public, including but not limited to any information that relates to the business, products, clients, finances, plans, proposals, training processes, marketing strategies and methods or practices of Franchisor. It also includes research and development, inventions, markets, budgets, projections, any other information that the Company designates as "confidential." Transferee is prohibited from directly or indirectly, using, communicating, revealing, sharing, disclosing or otherwise making available such Confidential Information.

6. **Waiver.** The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, nor be construed to operate as, a waiver of any subsequent breach thereof.

7. **Severability**. The provisions of this Agreement shall be separable and a

determination that any provision of this Agreement, or subpart thereof, is either unenforceable or void shall not affect the validity of any other provision of this Agreement, or subpart thereof. Wherever possible, all provisions shall be interpreted so as not to be unenforceable and any court of competent jurisdiction is authorized and directed by the parties hereto to enforce any otherwise unenforceable provision in part, to modify it, to enforce it only to a degree and not fully, or otherwise to enforce that provision only in a manner and to an extent, that renders the provision valid or enforceable. The intent of the parties is that this Agreement be enforceable and enforced to the maximum extent possible after excising (or deeming excised) all invalid or unenforceable provisions, whether or not the remaining provisions are grammatically correct.

8. **Entire Agreement.** This Agreement constitutes the entire understanding between the parties hereto with respect to the subject matter hereof, and no changes, amendments or alterations shall be effective unless agreed to in writing by both parties hereto, provided that no such amendment shall conflict with applicable laws or regulations. However, nothing in this Agreement is intended to disclaim any representations made by Franchisor in its Franchise Disclosure Document.

9. **Relationship of the Parties**. The relationship of the parties hereto shall at all times be that of independent contractors. Except as expressly provided herein, nothing contained in this Agreement shall be construed to constitute either party as an agent, legal representative, partner, joint venture, employer or employee of the other, and neither party hereto shall have the power to bind the other with respect to any obligation to any third party.

10. **Assignability**. Transferee may not assign this Agreement, and/or transfer, assign or delegate any or all of its rights, obligations and responsibilities under this Agreement, without the prior written consent of Franchisor.

11. **Governing Law; Selection of Venue**. This Agreement shall be construed in accordance with the laws of the State of New Jersey. Any action at law or equity instituted against either party to this Agreement shall be commenced only in the Courts of Bergen County, New Jersey or the United States District Court, District of New Jersey.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

[Signatures on following page.]

DAEKYO AMERICA, INC.,
a California corporation

By:_____
_____, CEO

DATED*:_____
(*Effective Date of this Agreement)

TRANSFEREE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Entity]

By:_____
[signature of person signing on behalf of entity]

Title of Signer:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[signature of individual franchisee]

Print Name:_____

DATED: _____

EXHIBIT 7

TO THE FRANCHISE AGREEMENT

RENTAL SUBSIDY ADDENDUM

THIS ADDENDUM is entered into and made effective (the "Effective Date"), by and between Daekyo America, Inc., a California Corporation with its principal business address at 1310 Palisade Avenue, Fort Lee, NJ 07024 ("**Franchisor**" or **"we"** and _____("**Franchisee" or "you**").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement dated _____, 202_ for the establishment and operation of an Eye Level Learning Center located
at_____
_____(the "Center").

WHEREAS, Franchisor has unilaterally adopted a program under which it offers rent subsidies to franchisees under certain circumstances. You desire to participate in the rent subsidy program.

NOW, THEREFORE, in consideration of the above and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. If you are opening a New Eye Level Center, we will provide you a rental subsidy of Five Hundred Dollars ($500) per month for four months at the Center. You must be in full compliance with the Franchise Agreement to receive the rental subsidy. The rental subsidy will commence from the time you report your first Subject-Student at a New Eye Level Learning Center and end after the 4th month from reporting your first Subject-Student. This program will not apply to Transfer Centers, where the Learning Center is already in operation. We may provide an additional rental subsidy, up to $500 per month for the first four months if your center is open and enroll first Subject-Student within 240 days from the effective date of the Franchise agreement. You must also sign our Rental Subsidy Addendum (see Exhibit 7 to the Franchise Agreement). The rental subsidy applies only if you are opening a New Center.

2. We may provide an additional rental subsidy, Rental Subsidy 2, up to $500 per month for the first four months, if you are qualified. You must have registered 30 Subject-Students at any time during the first 180 days from the date of first enrollment (DAY 1). See the operation manual for details. You may receive Rental Subsidy 1 and Rental Subsidy 2 at the same time if you are qualified for Rental Subsidy 2 within the first 120 days from Day 1. Rental Subsidy 2 will expire on the 181st day from the date of first enrollment if you are not qualified 180 days

from the Day1. You must be in full compliance with the Franchise Agreement to receive the rental subsidy.

3. We will pay your rental subsidy monthly by applying a credit to the royalty amounts owed to us. The first credit will appear on your monthly invoice in the month following your first reported Subject-Student. If you have a credit balance as a result of the rental subsidy, we will hold your credit on account against future obligations that you owe to us.

4. If we permit you to relocate your Eye Level Learning Center during the time the rental subsidy in in effect for the original Center, then the rental subsidy will continue at the new approved location but only for the remaining months that would have applied had you remained at the original Center. You will not receive a new rental subsidy if you relocate after the four months that the rental subsidy has been applied at a previous location during the term of the Franchise Agreement or any applicable renewal period.

5. You must be in full compliance of the Franchise Agreement to receive the rental subsidy. If at any time during the first 4 months of operation you are not in compliance with the Franchise Agreement, we have the right not to apply the subsidy for any month for which you are not in compliance. In such cases, you will forfeit the rental subsidy for any month in which you are not in compliance.

6. We have no obligation to you for any unused credit balance from a rental subsidy if the Franchise Agreement is terminated for any reason at a time when a credit balance exists. Likewise, credit balances cannot be used to pay for any other monetary obligations you have to us.

7. This Addendum constitutes an integral part of the Franchise Agreement and is binding on your and Franchisor's successors and assigns. Except as expressly modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

DAEKYO AMERICA, INC.,
a California corporation

By:_____
_____, CEO

DATED*:_____
(*Effective Date of this Agreement)

Franchisee:

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Entity]

By:_____
[signature of person signing on behalf of entity]

Title of Signer:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[signature of individual franchisee]

Print Name: _____

DATED: _____

Exhibit C

FINANCIAL STATEMENTS

Daekyo America, Inc.

DAEKYO AMERICA, INC.

FINANCIAL STATEMENTS

For the year ended December 31, 2025, 2024 and 2023
and
Independent Auditors' Report

DAEKYO AMERICA, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders
of Daekyo America, Inc.

Opinion

We have audited the financial statements of Daekyo America, Inc. (a California corporation), which comprise the balance sheets as of December 31, 2025, December 31, 2024, and December 31, 2023, and the related statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of Daekyo America, Inc. as of December 31, 2025, December 31, 2024 and December 31, 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Daekyo America, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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



Ridgefield Park, New Jersey
February 24, 2026

DAEKYO AMERICA, INC.

(A Majority-Owned Subsidiary of Daekyo Co., Ltd.)

BALANCE SHEET
DECEMBER 31, 2025, 2024 and 2023

ASSETS	**2025**	**2024**	**2023**
CURRENT ASSETS:			
Cash and cash equivalents	$ 1,500,435	$ 1,801,706	$ 1,491,444
Accounts receivable - net of allowance of $4,119, $831, and $268, respectively	324,695	356,782	364,296
Other receivables	195,732	264,361	196,380
Inventories - net of allowance of $100,668	874,832	708,520	1,023,852
Loan to affiliates	-	-	1,400,000
Prepaid and other current assets	69,484	280,665	139,350
Total current assets	2,965,178	3,412,034	4,615,322
Property and equipment - net	956,443	458,319	685,371
Right of use lease assets	1,782,905	1,414,049	342,395
Other assets	115,693	97,770	59,224
TOTAL ASSETS	$ 5,820,219	$ 5,382,172	$ 5,702,312
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable	$ 1,773,759	$ 1,532,555	$ 1,970,503
Advance payment and unearned revenues - current	76,176	70,653	156,917
Accrued expenses and other liabilities	140,772	98,651	170,667
Short-term borrowing	1,000,000	800,000	1,950,000
Lease liability - current	348,100	237,096	231,592
Total current liabilities	3,338,807	2,738,955	4,479,679
Unearned revenues	64,379	77,222	70,382
Lease liability - non current	1,617,717	1,326,290	89,657
Other payable	351,712	342,824	315,902
Total liabilities	5,372,615	4,485,291	4,955,620
STOCKHOLDERS' EQUITY:			
Common stock, no par value - authorized, 14,000,000 shares; issued and outstanding, 5,181,994 shares	21,363,868	21,363,868	21,363,868
Accumulated deficit	(20,916,264)	(20,466,987)	(20,617,176)
Total stockholders' equity	447,604	896,881	746,692
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 5,820,219	$ 5,382,172	$ 5,702,312

The Notes to Financial Statements are an integral part of these statements.

DAEKYO AMERICA, INC.

(A Majority-Owned Subsidiary of Daekyo Co., Ltd.)

STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
REVENUES	$ 4,512,705	$ 4,878,759	$ 5,366,192
COST OF SALES	(794,129)	(783,788)	(871,927)
Gross profit	3,718,576	4,094,971	4,494,265
SELLING, GENERAL & ADMINISTRATIVE EXPENSES	(4,143,253)	(3,926,611)	(5,304,397)
Operating income (loss)	(424,677)	168,360	(810,132)
OTHER INCOME (EXPENSE)			
Miscellaneous income, net	10,609	49,463	140,709
Interest expense	(28,999)	(60,877)	(59,555)
Net other income (expense)	(18,390)	(11,414)	81,154
INCOME (LOSS) BEFORE TAX PROVISION	(443,067)	156,946	(728,978)
PROVISION FOR INCOME TAXES	(6,210)	(6,757)	(7,226)
Net income (loss)	$ (449,277)	$ 150,189	$ (736,204)

The Notes to Financial Statements are an integral part of these statements.

DAEKYO AMERICA, INC.

(A Majority-Owned Subsidiary of Daekyo Co., Ltd.)

STATEMENT OF STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	Common Stock		Accumulated	Total Stockholders'
	Shares	Amount	Deficit	Equity
BALANCE, December 31, 2023	5,181,994	$ 21,363,868	$ (20,617,176)	$ 746,692
Issuance of Common Stock	-	-	-	-
Net Income/(loss)	-	-	150,189	150,189
BALANCE, December 31, 2024	5,181,994	21,363,868	(20,466,987)	896,881
Issuance of Common Stock	-	-	-	-
Net Income/(loss)	-	-	(449,277)	(449,277)
BALANCE, December 31, 2025	5,181,994	$ 21,363,868	$ (20,916,264)	$ 447,604

The Notes to Financial Statements are an integral part of these statements.

DAEKYO AMERICA, INC.

(A Majority-Owned Subsidiary of Daekyo Co., Ltd.)

STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31,2025, 2024 AND 2023

	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ (449,277)	$ 150,189	$ (736,204)
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Depreciation and amortization	297,331	236,342	239,613
Depreciation and amortization - right of use assets	387,054	313,894	515,534
Provisions for doubtful accounts	-	563	(9,674)
Loss/(gain) on disposal of property and equipment	(8,174)	(6,662)	(1,382)
Changes in assets and liabilities:			
Accounts receivable	32,087	6,952	113,963
Other receivables	68,629	-	-
Inventories	(166,312)	315,332	(265,963)
Prepaid expenses and other current assets	211,181	(141,318)	(85,696)
Other assets	(17,923)	(38,546)	402,484
Accounts payable	241,204	(437,948)	(176,500)
Operating lease liabilities	(353,478)	(213,410)	(392,794)
Advance payment and unearned revenue	(7,320)	(79,424)	102,979
Accrued expenses and other liabilities	42,121	(72,015)	(2,759)
Other payable	8,888	26,921	7,390
Net cash provided by (used in) operating activities	286,011	60,870	(289,009)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Receipt from collection of loan to affilate	-	1,552,019	176,938
Loans made to affiliate	-	(150,000)	(1,550,000)
Proceeds from disposal of property and equipment	9,000	7,250	-
Acquisition of property and equipment	(796,282)	(9,877)	(14,678)
Net cash provided by (used in) investing activities	(787,282)	1,399,392	(1,387,740)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of short-term debt	(300,000)	(1,150,000)	-
Proceeds from short-term debt	500,000	-	1,950,000
Net cash provided by (used in) financing activities	200,000	(1,150,000)	1,950,000
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS			
Net increase (decrease) in cash	(301,271)	310,262	273,251
Cash, beginning of year	1,801,706	1,491,444	1,218,193
Cash, end of year	$ 1,500,435	$ 1,801,706	$ 1,491,444
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest	$ 32,465	$ 100,267	$ 68,127
Income taxes	$ 7,864	$ 13,864	$ 7,566

The Notes to Financial Statements are an integral part of these statements.

1. ORGANIZATION AND NATURE OF BUSINESS

Daekyo America, Inc. (the "Company") was incorporated in the State of California in November 1990 to engage in the business of franchising educational programs for children in North America. Under the license agreement with Daekyo America's parent company, Daekyo Co., Ltd., based in the Republic of Korea, the Company offers franchises with the brand name "Eye Level" to operate Eye Level Learning Centers. Franchised Eye Level Learning Centers provide tutoring services to pre-school up to high school students utilizing with the Company's proprietary curriculum in mathematics and English.

The Company is owned 50.06% by Daekyo Co., Ltd., 24.25% by Crystal One Co., Ltd. and 25.69% by three individual shareholders.

The Company amended its Articles of Incorporation on December 2, 2025. The Company is authorized to issue two classes of stock: Common Stock and Preferred Stock. The total number of shares the Company is authorized to issue is Fifteen Million (15,000,000) share, of which Fourteen Million (14,000,000) shares shall be Common Stock and One Million (1,000,000) shares shall be Preferred Stock.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The accompanying financial statements of the Company are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of fixed assets; allowance for doubtful accounts and sales returns; the valuation of inventories and fixed assets; and other contingencies.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Interest on the account is determined and accrued on a daily basis.

Accounts Receivable

Account receivables are non-interest bearing and recognized at original invoice amount which represents the fair value on initial recognition. The Company estimated losses inherent in its account

receivables based on the customer's financial conditions and the amount of receivable in dispute. The balances of allowance for doubtful amounts are $4,119, $831, and $268 as of December 31, 2025, 2024 and 2023, respectively.

Inventories

Inventories consist primarily of books and educational materials and are stated on the basis of lower of cost or net realizable value. Appropriate consideration is given to obsolescence, slow moving items and other factors in evaluating net realizable value. Cost is determined using the weighted average method for all inventories.

Machinery and equipment

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the related assets, generally ranging as follows, using the straight-line method:

Equipment	2 to 7 years
Vehicles	5 years
Furniture and fixtures	7 years
Leasehold improvements	5 to 10 years
Computer and software	3 to 5 years

Revenue Recognition

Revenue is recognized when obligations under the terms of a contract with customers are satisfied; generally, it occurs when persuasive evidence of an arrangement exists, products are shipped, collection of the relevant receivable is reasonably assured, and the sales price is fixed and determinable. Specifically, royalty and continuing franchise fees are recognized based on the number of enrolled students in the franchisees' operations of business, booklet sales are recognized at the time of shipment, and tuition income is recognized as flagships' service is performed.

As for the Flex, the Company receives brokerage fees from tutors and recognizes revenue when the tutors provide services to students. For the workbook subscription, a monthly subscription fee is charged, and sales are recognized at the time the workbooks are shipped to the customers.

As per guidance under Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606).* The new guidance establishes the principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The Company adopted ASU 2014-09 in 2019 using the modified retrospective approach. The Company concluded that the significant change occurs in the way that the Company recognizes the initial franchisee fee which should be recorded as revenue over the contract period under the new guidance because the Company's obligation is satisfied over time. The initial franchise fee is paid in exchange for providing the franchisees with access to the Company's intellectual property and the franchisees simultaneously benefit from the Company's performance. Upon adoption, the company recorded the cumulative effect of $726,808 in the accumulated deficit and on the unearned revenue for the same amount at the beginning of 2019.

Income Taxes

Income taxes are accounted for under the asset-and-liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial

statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

Fair Value Measurements

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date

Level 2 Inputs: Other than quoted prices included in Level 1 Inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date

In May 2011, FASB issued ASU 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. The new standard does not extend the use of fair value but, rather, provides guidance about how fair value should be applied where it is already required or permitted under IFRS or U.S. GAAP. For U.S. GAAP, most of the changes are clarifications of existing guidance or wording changes to align with IFRS. This pronouncement also requires additional disclosures for nonpublic entities to provide quantitative information about significant unobservable inputs used for all Level 3 measurements and a description of the valuation process used.

Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Reclassification of Prior Year Presentation

To maintain consistency and comparability, certain amounts from previously reported financial statements have been reclassified to the current year presentation. These reclassifications had no effect on the Company's previously reported financial statements.

Recently Issued Accounting Principles

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842): Amendment to the FASB Accounting Standards Codification*, which modifies lease accounting for lessees to increase transparency and comparability by recording lease assets and liabilities for operating leases and disclosing key information about leasing arrangements. The Company adopted ASU 2016-02 utilizing the modified retrospective transition method through a cumulative-effect adjustment at the beginning of its first quarter of 2022.

In November 2021, FASB issued ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*. The amendments in this pronouncement affect lessees that are not public business entities, including all not-for-profit entities and employee benefit plans. It provides more flexibility for those lessees by allowing them to make the election by class of underlying asset, rather than at the entity-wide level. Entities that have not yet adopted ASC 842 as of November 11, 2021, are required to adopt the amendments in this pronouncement at the same time that they adopt ASC 842. For entities that have adopted ASC 842 as of November 11, 2021, the amendments in this pronouncement are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early application is permitted. The Company is currently assessing the impact that the adoption will have on the Company's financial statements.

3. PROPERTY AND EQUIPMENT

At December 31, 2025, 2024 and 2023, the Company's property and equipment, and related accumulated depreciation and amortization are as follows:

	2025	2024	2023
Equipment	$ 55,989	$ 27,896	$ 22,310
Vehicles	81,308	98,571	118,668
Furniture and fixture	111,677	513,908	513,908
Leasehold improvements	634,060	-	241,885
Computer and software	46,135	227,264	222,973
Flexsoftware	1,083,444	1,083,444	1,083,444
Total	$ 2,012,613	$ 1,951,083	$ 2,203,188
Less accumulated depreciation and amortization	(1,056,170)	(1,492,764)	(1,517,817)
Property and equipment, net	$ 956,443	$ 458,319	$ 685,371

Depreciation and amortization expenses related to property and equipment for the years ended December 31, 2025, 2024 and 2023 amounted to $297,331, $236,342, and $239,613, respectively.

4. LEASE

The Company leases an office in NJ and a warehouse facility in California and as well as two (2) equipment under noncancelable operating lease agreements for terms of 5 to 7 years.

The following table summarizes the Company's operating leases, amounts of right of use assets and lease liabilities, the weighted average remaining lease term, and the weighted average discount rate for the Company's operating leases.

Lease expense	Year Ending 2025-12
Operating lease expense	$ 468,016
Short-term lease expense	79,130
Total	$ 547,146

Other Information

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	$ 434,441
ROU assets obtained in exchange for new operating lease liabilities	$ 755,910
Weighted-average remaining lease term in years for operating leases	5.09
Weighted-average discount rate for operating leases	3.93%

Maturity Analysis

2026-12	$ 418,400
2027-12	425,079
2028-12	430,450
2029-12	437,360
2030-13	279,811
Thereafter	179,989
Total undiscounted cash flows	2,171,089
Less: present value discount	(205,272)
Total lease liabilities	1,965,817

Right of use assets	Property	Total
At January 1, 2025	$ 1,414,049	$ 1,414,049
- New Right of Use Asset	755,910	$ 755,910
- Depreciation	(387,054)	$ (387,054)
At December 31, 2025	$ 1,782,905	$ 1,782,905

Lease Liabilities	Total
Contractual undiscounted cash flows	
- Less than one year	$ 418,400
- one to five years	1,752,689
Total undiscounted lease liabilities at 12/31/25	$ 2,171,089
Less: present value discount	$ (205,272)
Lease liabilities at 12/31/25	$ 1,965,817

Amount recognized in the statement of cash flows	Total
Depreciation	$ 387,054

5. RELATED PARTY BALANCES AND TRANSACTIONS

In the normal course of its business, the Company has significant transactions with its overseas related parties. The Company's account balances and transactions with related parties as of and for the years ended December 31, 2025, 2024 and 2023 as follows:

Name	2025	2024	2023
Daekyo Co., Ltd:			
Receivables	$ -	$ -	$ -
Payables	2,772,772	2,296,435	3,890,877
Expenses	961,755	513,960	690,041
Other Affilated Companies:			
Receivables	-	-	1,400,000
Payables	-	-	-
Income	-	8,750	32,000
Expenses	-	29,897	59,794
Shareholders:			
Receivables	-	-	2,019
Payables	-	-	-
Expenses	-	-	-

In addition to the related-party transactions described above, the Company purchased educational tools from Daekyo Co., Ltd. in the aggregate amount of $21,751 during the year ended December 31, 2025. Such transactions were conducted in the ordinary course of business.

6. INCOME TAX

The income tax provisions for the years ended December 31, 2025, 2024 and 2023 represent current tax for various states.

Deferred tax assets or liabilities consist of the tax effects of temporary differences between the carrying amounts for financial reporting purposes and amounts used for income tax purposes primarily relating to accrued expenses, and property and equipment. The following table summarizes deferred tax assets, deferred tax liabilities, and valuation allowance as of December 31, 2025, 2024, and 2023:

	2025	2024	2023
Depreciation and amortization	$ (7,704)	$ (44,172)	$ (6,970)
Net operating loss carryforwards	4,166,096	4,065,147	4,240,830
Bad debt allowance	1,112	225	72
Accrued payroll	-	3,336	-
Charitable contribution	-	-	191
Right of use assets	21,860	59,601	33,140
Valuation allowance	(4,181,364)	(4,084,137)	(4,267,263)
Deferred tax assets, net	$ -	$ -	$ -

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Based upon the projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will not realize the benefits of these deductible differences and full valuation allowances were recognized at December 31, 2025, 2024 and 2023. As of December 31, 2025, 2024 and 2023, the Company has net operating loss carry forwards of approximately $15,430,000, $15,056,000 and $15,706,780, respectively for federal income tax purposes.

7. LEGAL MATTERS

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the outcome of these matters will not have a material adverse effect on the financial position or the result of operations of the Company.

8. SUBSEQUENT EVENTS

The Company has evaluated subsequent events occurring after December 31, 2025, through February 24, 2026, the date the financial statements were available to be issued.

On February 3, 2026, the shares of the Company held by Crystal One Co., Ltd. and three individual shareholders were acquired by Daekyo Co., Ltd., making the Company wholly (100%) owned by Daekyo Co., Ltd.

Pursuant to the 2025 board resolution for the additional share issuance (8,048,290 shares) with a par value of $0.1491, the first share issuance (6,036,018 shares) was completed on February 10, 2026, resulting in increase of common stock by $900,000, while the timing of the second share issuance (2,012,072 shares) for $300,000 has not yet been determined.

There have been no other material subsequent events that occurred during such period that would be required to be recognized or disclosed in the financial statements.

Exhibit D

OPERATIONS MANUAL TABLE OF CONTENTS

Daekyo America, Inc.

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Exhibit E-1

LIST OF FRANCHISEES

Daekyo America, Inc.

Franchisees Open and Operating as of 12/31/2026

State	Eye Level of...	Entity Name	Franchisee Name	Learning Center Address	Center Phone Number
AK	Anchorage	Enopi of Anchorage, Inc.	Su Hu	703 W. Northern Lights Blvd #200, Anchorage, AK 99503-2644	907-274-2040
CA	Anaheim Hills	Edupartners, Inc.	Christine Hong	410 S. Anaheim Hills Road, Anaheim, CA 92807	714-282-1005
CA	Cupertino	Smarter Path Academy, Inc.	Sujin (Susan)Jeong	982 S. De Anza Blvd. San Jose, CA 95129	408-243-1230
CA	Dublin	Araan LLC	Radhika Shah	6743 Dublin Blvd, #26-27, Dublin, CA 94568	925-587-5211
CA	Folsom	New Line Education LLC	Preethi Katta & Sujin Jeong	404 Blue Ravine Road, #300, Folsom, CA 95630	916-966-0241
CA	Fremont	n/a	Naman Chowdhary	39159 Paseo Padre Parkway, Suite 108, Fremont, CA, 94538	341-356-3692
CA	Irvine -North	Charis Education Center, Inc.	Lusiana Chang & Fonny Widjojo	14795 Jeffrey Rd., # 100, Irvine, CA 92618	949-287-3667
CA	Irvine-Yale	JDI Express, Inc.	Hyuksung Lee	4790 Irvine Blvd., #203, Irvine, CA 92620	949-343-7006
CA	Pleasanton	Beacon Learning Center LLC	Venkateshwarlu Masula	4456 Black Avenue, #250, Pleasonton, CA 94566	925-621-0236
CA	Poway	My Learning Edge, LLC	Manisha & Sameer Ovalekar	11385 Poway Road, # 109, San Diego, CA 92128	858-391-8644
CA	Roseville	Orange Education LLC	Shila Aranuchalam	7456 Foothills Blvd., # 17, Roseville, CA 95747	916-797-6284
CA	San Ramon	Enjy Learning Center LLC	Enjy Abouelmaaty	421 Market Place, San Ramon, CA 94583	925-605-6537
CA	Torrance	JUBILATE & EYELEVEL ACADEMY INC	Hyejin (Jinney) Choi	3737 Torrance Blvd. #204, Torrance, CA 90503	310-755-7577
CA	Union City	Adigopala Learning Center LLC	Kavita Bansal	32639 Alvarado Blvd., Union city, CA 94587	510-331-7249
CA	Walnut Creek	Akshara Educational Services LLC	Narmathapriya Subramanian	1910 Olympic Blvd. #100, Walnut Creek, CA 94596	925-943-6674
GA	Alpharetta	Peachtree Enrichment, LLC	Joseph & Kippi Flanders	11550 Webb Bridge Way, Suite 7, Alpharetta, GA 30005	678-451-5049
GA	Alpharetta- North	Gyan Learning Center, LLC	Sunitha Dandamudi	5925 Atlanta Hwy., Ste# 300, Alpharetta, GA 30004	404-990-3727
GA	Alpharetta-West	Milton Education LLC	Ravi Kiran Muvva	5215 Windward Parkway, B-1, Alpharetta, GA 30004	404-532-9415
GA	Cumming Coal Mountain	EduVentures LLC	Anna Thomas	2415 State Barn Road, #103, Cumming, GA 30040	401-487-9917
GA	Cumming-East	Iinspire Inc.	Parveen Ismail, Zohreen Ismail	1370 Buford Highway, Cumming, GA 30041	404-931-3266
GA	Cumming-South	Enrichment Resources LLC	Christa Jones	2920 Ronald Reagan Blvd., Suite #101, Cumming, GA 30041	404-455-6791
GA	Cumming-West	SV Learning LLC	Vasudev Vanam	4335 Bethelview Road, #110, Cumming, GA 30040	404-954-2959
GA	East Cobb	Enopi of East Cobb LLC	Vanishree Narasimhan	1225 Johnson Ferry Rd., #430, Marietta, GA 30068	770-578-6317
GA	Johns Creek-South	E Plus Ducare LLC	Han Soo Kim & Yoon Joo Shin	5805 State Bridge Road, Suite #N, Johns Creek, GA 30097	678-999-8641
GA	Lilburn	M.A. Learning LLC	Shalina Dhrolia	3035 Five Forks Trickum Road, SW, Suite #6, Lilburn, GA 30047	678-468-3202
GA	Marietta	Sharp Minds LLC	Neetu Sharma	3605 Sandy Plains Road, Ste# 145, Marietta, GA 30066	404-951-9049
GA	Smyrna-Vinings	Learning Concepts LLC	Shafali Gupta	4585 S. Cobb Drive SE, Suite #200, Smyrna, GA 30080	404-966-3148
GA	Sugarloaf	Bam Angel Academy LLC	Janet Macko	4955 Sugarloaf Parkway, Suite #118, Lawrenceville, GA 30044	770-601-4829
GA	Suwanee	Y & S Enrichment LLC	Sun Lim	730 Peachtree Industrial Blvd., Suwanee, GA 30024	770-904-6820
GA	Suwanee-James Creek	Critical Learning LLC	Jennifer Suh	3130 Mathis Airport Parkway,# 307, Suwanee, GA 30024	678-221-4231

Franchisees Open and Operating as of 12/31/2026

State	Eye Level of...	Entity Name	Franchisee Name	Learning Center Address	Center Phone Number
IL	Arlington Heights - North	Prisana, Inc.	Sankarkrishan Gopalan & Jeyapriya Alagarsamy	1018 W Rand, Arlington Heights, IL 60004	847-398-7188
IL	Aurora-East	Nimble Learning LLC	Jansi Rajesh	4255 Westbrook Drive, #212-213, Aurora, IL 60504	630-364-1815
IL	Bartlett	Anderson Learning Center LLC	Mary Anderson	1007 W Stearns Road, Bartlett, IL 60103	630-213-7475
IL	Bloomingdale	H & F Achievement, Inc.	Hinna Admad	148 S. Bloomingdale Road, Unit # 101, Bloomingdale, IL 60108	630-307-7475
IL	Buffalo Grove	N/A	Parth Patel	1018 Weiland Road, Buffalo Grove, IL 60089	847-947-8700
IL	Chicago-Bridgeport	Vitrust LLC	Vivian Xu	3500 S Morgan Street, Suite #202, Chicago, IL 60609	312-731-5006
IL	Hoffman Estates	HK Hoffman Estates Inc.	Mona Patel	2348-A W. Higgins Road, Hoffman Estates, IL 60169	224-248-5153
IL	Lake Zurich	V3S Edutech Inc.	Vijay Loka	884 South Rand Rd. Unit C, Lake Zurich, IL 60047	847-726-9900
IL	Mount Prospect	Pro-Ved Consulting Inc.	Chetan, Sangita & Vrushali Thakkar	834 E. Rand Road, Unit #5, Mount Prospect, IL 60056	224-735-2399
IL	Naperville - South	Mindvest LLC	Manikandan Gunasekaran & Muthu Srinivasan	2735 Hassert Blvd., Ste.#111, Naperville, IL 60564	630-355-3334
IL	Naperville-East	U Sharp, LLC	Priya Ponnusamy	32 Foxcroft Road, #104, Naperville, IL 60565	630-708-7271
IL	Naperville-North	Lakshmi Balaji LLC	Saritha Veerabrahmha	1100 Sherman Ave, Suite 114, Naperville, IL 60563	630-935-7482
IL	Northbrook	BPU LLC	Dipti Rajan Patel & Rajan Dinesh Patel	1512 B Shermer Rd. Northbrook, IL 60062	847-559-0898
IL	Palatine	Odyssey Education, Inc.	Toni Jo	31E. Northwest Hwy., Palatine, IL 60067	847-764-0058
IL	Plainfield	Agile Learning LLC	Jansi Rajesh	13717 Route 30, #123, Plainfield, IL 60544	630-687-2314
IL	Schaumburg North	JL Education, Inc.	Toni Jo	847 E. Schaumburg Road, Schaumburg, IL 60194	224-488-7655
IL	Schaumburg South	Prisana, Inc.	Sankarkrishan Gopalan & Jeyapriya Alagarsamy	2257 W. Schaumburg Road, Schaumburg, IL 60194	630-283-5960
IL	South Elgin	A Squared Learning Inc.	Ami Patel	454 Redington Drive, Unit #E, South Elgin, IL 60177	630-847-4092
IL	Vernon Hills	Hera Jeong, Co.	Healn Jeong	207 Butterfield Road, Vernon Hills, IL 60061	847-327-0070
IL	Westmont	E-Soft LLC	Chitra Saravanan	216 East Chicago Ave, Westmont, IL 60559	630-455-4470
MA	Westford	Noah Education LLC	Michael Kim	5B Cornerstone Square, Westford, MA 01886	978-496-1524
MD	Ellicott City	Edustar, LLC	Geethanjali Samanapelly	8726 Town & Country Blvd., # 202, Ellicott City, MD 21043	443-559-9472
MI	Okemos	Guru Academic Center LLC	Prashanti Boinapally	3536 Meridan Crossing Drive, Ste.# 210, Okemos, MI 48864	517-214-5125
MO	Ballwin	J. Lim Enterprises, LLC	Koung Hee Leem	14560 Manchester Road, #6-7, Ballwin, MO 63011	636-875-2515
MO	Chesterfield	J. Lim Enterprises, LLC	Koung Hee Leem	187 Hilltown Village Center, Chesterfield, MO 63017	636-875-6815
MO	Lake St Louis	3 W Services LLC	Pramyusa Saini Jayaram, Madhuri Seela, & Rekha R. Advani	11 Meadows Circle Drive, #412, St. Louis, MO 63367	618- 334-3311
MO	O'Fallon	SG Learning Center	Surbhi Gupta	2738 Highway K, Unit A, O'Fallon, MO 63368	314-306-5535
NC	Cary-West	Shrisai Technologies LLC	Chithra Loganathan	714 Slashpine Drive, Cary, NC 27519	919-655-9046
NC	Charlotte-Ballantyne We	S3 Tutorial LLC	Sekhar Battineni	11926 Providence Road W, Suite # E-1, Charlotte, NC 28277	704-877-4302
NC	Concord	Rainbow Tutoring Inc.	Chaitanya Kola	10020 Edison Square Drive, Concord, NC 28027	704-789-3328

Franchisees Open and Operating as of 12/31/2026

State	Eye Level of...	Entity Name	Franchisee Name	Learning Center Address	Center Phone Number
NC	Greensboro	Achievers Learning Center LLC	MunYuen (Elaine)Wong	5103 West Market St. Greensboro, NC 27409	336-297-1888
NC	Harrisburg	Rainbow Tutoring Inc	Chaitanya Kola	4250 Main Street, #108, Harrisburg, NC 28075	704-910-1508
NC	Holly Springs	SST Learning LLC	Chithra Loganathan/Shanmugara	356 A Raleigh Street, Holly Springs, NC 27540	919-339-5072
NC	Morrisville	Surge Forward Technologies LLC	Shekar Jakati	3607 Davis Drive, Suite# 118, Morrisville, NC 27560	919-342-6761
NC	Waxhaw	Shubtar Learning LLC	Sravankumar Kayathi	102F Waxhaw Professional Park Drive, Waxhaw, NC 28173	704-449-8533
NJ	East Windsor	Anushka & Aarush, LLC	Shannu Meladath	680 Route 33 East, East Windsor, NJ 08831	732-387-2827
NJ	Edison -North	Edusai Inc.	Jayashri Yamunan	3 Stephenville Parkway Plaza, #18, Edison, NJ 08820	732-351-7001
NJ	Fort Lee	ATOZ Services LLC	Youngsam Choi	2175 Lemoine Ave, #303, Fort Lee, NJ 07024	201-981-8866
NJ	Livingston	Bishnoi Turtoring, LLC	Divya Bishnoi	184 South Livingston Ave, #7, Livingston, NJ 07039	973-992-8008
NJ	Morris Plains	BSML Inc.	Murugan Vadivel, Loganathan Kesavan, & Sreedhar Gudur, Anoorani	38 Gibraltar Drive, Morris Plains, NJ 07950	973-998-7898
NJ	North Brunswick (Dayton	Envisionlearning LLC	Neha Sharma	1727 Route 130, #4, North Brunswick, NJ 08902	609-806-8680
NJ	Parsippany	BSML Inc.	Murugan Vadivel, Loganathan Kesavan, & Sreedhar Gudur, Balamurali	378 Route 46 West, Parsippany, NJ 07054	973-396-2267
NJ	Piscataway-South	Edsai Inc.	Jayashri Yamunan	1258 Stelton Road, Piscataway, NJ 08854	848-202-9111
NJ	Plainsboro	Tigee LLC	Priyanka Jain	666 Plainsboro Road, #440, Plainsboro, NJ 08536	609-297-7258
NJ	South Brunswick	Quantum Minds LLC	Payal & Sanjay Rastogi	3201Route 27, #4, Franklin Park, NJ 08823	732-314-3161
NJ	South Plainfield	Future Genius, LLC	Theresa DeSaulniers	2201South Clinton Avenue, South Plainfield, NJ 07080	732-515-7881
NJ	Summit	Myra Educational Service, LLC	Priyanka Powal & Anumeh Andhar	447 Springfield Ave, #3, Summit, NJ 07901	908-516-2039
NY	Briarcliff	Unbounded, LLC	Margaret Mak	501North State Road, Briarcliff, NY 10510	914-741-0407
NY	Brighton Beach	V & V Kids, Inc.	Franco & Veronica Verdino	1605 Voorhees Ave., Brooklyn, NY 11235	718-891-5437
NY	Fresh Meadows	Smart Global Solutions Inc.	Alex Chan	184-10 Horace Harding Expwy, Fresh Meadows, NY 11365	917-563-5000
NY	Hicksville	ONS Corp.	Jyoti Dhingra	760 S. Broadway, Hicksville, NY 11801	516-597-5300
NY	New Hyde Park	Next Gen Learning Systems Inc.	Min Bittaf	1Jericho Turnpike, New Hyde Park, NY 11040	516-775-1000
NY	Staten Island-Grasmere	Gifted Kids, Inc.	Franco & Veronica Verdino	141Evergreen Avenue, #1A, Staten Island, NY 10305	718-351-7333
NY	Staten Island-Willowbroo	Super Smart Kids Inc.	Franco & Veronica Verdino	1409 Richmond Avenue, Staten Island, NY 10314	718-494-1232
PA	Berwyn	Bright Star Academy LLC	Shilpa Agarwal	560 Lancaster Ave, #60, Berwyn, PA 19312	484-620-5722
PA	Exton	Young Learners LLC	Snehal & Bhavna Patel	260 N. Pottstown Pike, #36, Exton, PA 19341	484-879-6729
SC	Fort Mill	Saraswati Education Institute LLC	Pushpalatha Bathineni & Sneha Kumbhare	2879 SC-160 Suite 104 Fort Mill, SC 29708	704-388-2042
TX	Aliana	Oasis Learning Inc.	Rina Shah	18320 W. Airport Blvd., #400, Richmond, TX 77407	832-651-1149
TX	Allen- West	Sasz, LLC	Nazish Nooruddin & Salima Khakw	2023 West McDermott Drive, Allen, TX 75013	972-885-9393
TX	Austin- Avery Ranch	Words n Numbers LLC	Prema Veeramachaneni & Shashidhar Nanapaneni	10526 W. Palmer Lane, #423, Austin, TX 78717	512-336-0743 Ext.# 4

Franchisees Open and Operating as of 12/31/2026

State	Eye Level of...	Entity Name	Franchisee Name	Learning Center Address	Center Phone Number
TX	Austin-Lake line	ATX Best LLC	Min Bittaf	12129 Ranch Road 620N, #410, Austin, TX 78750	512-919-4050
TX	Castle Hills	Anikhil Services LLC	Amitha and Prabhakar Duvvuri	1616 West Hebron Pkwy.,# 116, Carrollton, TX 75010	972-399-9051
TX	Cedar Park	Words n Numbers LLC	Prema Veeramachaneni & Shashidhar Nanapaneni	3835 County Road, 175, Unit 540, Leander TX, 78641(relo in 2	512-336-0743 Ext. #3
TX	Colleyville	Anikhil Services LLC	Amitha and Prabhakar Duvvuri	5615 Colleyville Blvd., #460, Colleyville, TX 76034	469-686-3933
TX	Coppell	Bright Kids Learning CTR LLC	Mamatha Uppu & Subhashini Chilla	702 S. Denton Tap Road, #110, Coppell, TX 75019	972-636-5005
TX	Cypress Southwest	AG Tech Corp	Srinath Gadde	8020 Fry Street, #105, Cypress, TX 77433	281-758-8006
TX	Frisco- Central	Cognitive Ed LLC	Anuradha Ramkumar & Ramkumar Chenayapurathu	8949 Coit Road, #150, Frisco, TX 75035	213-476-5849
TX	Frisco -East	AARNA Achievers LLC	Anuradha Ramkumar & Ramkumar Chenayapurathu	15962 Eldorado Parkway, #500, Frisco, TX 75035	972-398-6284
TX	Frisco -South West	Mishaank Services LLC	Menka Agarwal	5570 FM 423, #550, Frisco, TX 75034	469-400-0071
TX	Frisco -West	Key Steps Acadamy Inc.	Kalpana Yadav Mangalarupu, & Sridevi Kichhannagar	12398 FM 423, #1400, Frisco, TX 75034	469-200-0530
TX	Irving	A1Pyramid Education Support LLC	Haritha Royyuru	305 Cimmaron Trl, #150, Irving, TX 75063	469-226-6798
TX	Katy-South West	Spiral Success Inc.	Rina Shah	24948 FM 1093, # 215, Richmond, TX 77406	281-912-4688
TX	Katy-West	Spiral Success Inc.	Rina Shah	2731FM 1463, #200, Katy, TX 77494	832-651-1149
TX	Leander-East	VisionaryLearning LLC	Jyothi Rani Veddamapula	15101Ronald Reagan Blvd., Unit # 515, Leander, TX 78641	737-202-0585
TX	Mckinney South	n/a	Yunfei Xi	5101McKinney Ranch Pkway, #140, McKinney TX 75070	214-548-4398
TX	McKinney-Coit	Samyak Learning Centers LLC	Brajesh Jain	1400 N. Coit Road #2303, McKinney, TX 75071	469-919-0020
TX	Missouri City- North	Reems Ventures LLC	Rehmat Mehdi	5418 Highway 6, #214, Missouri City, TX 7749	281-905-2645
TX	Missouri City- South	SJ Business Global Solutions Inc.	Safia Jafri	8720 Highway 6 South, #300, Missouri City, TX 77459	281-712-1725
TX	New Territory	AAA Learning of New Territory LLC	Kiran Ali & Rehmat Medhi	5022 Hwy 90-A, # I, Sugarland, TX 77498	832-712-0733
TX	Plano- North	Saketam LLC	Asha Ranvindran	5200 McDermott Road #120, Plano, TX 75024	720-202-6617
TX	Plano-Central	Stride-Sys LLC	Anuradha Ramkumar & Ramkumar Chenayapurathu	6905 Coit Road, #110, Plano, TX 75024	972-398-6284
TX	Prosper-East	Path2excellence LLC	Jeyalakshmi Kiruparan, Rekha Raghavendra & Lakshmi Priya Vijayaraghavan	560 W Frontier Pkwy Suite 135, Prosper, TX 75078	(469) 469-9641
VA	Alexandria	Kids Excel of Old Town Inc.	Fanny Mixter	1416 Prince Street, Alexandria, VA 22314	703-535-3330
VA	Ashburn-North	Kids Excel LLC	Fanny Mixter	20605 Gordon Park Square, #190, Ashuburn, VA 20147	571-291-9937
VA	Herndon	Victrios LLC	Savitry Krishnamurthy, Katha Thiyaghu & Priya Krishnan	570 Herndon Pkwy, # 100, Herndon, VA 20170	571-455-1947
VA	South Riding -West	Hamilton Learning Services LLC	Sathappan, Alagappan & Meena	24630 Dulles Landing Drive, #110, Dulles, VA 20166	571-335-7998
VA	Vienna	L2S LLC	Savitry Krishnamurthy	513 Maple Avenue West, #201, Vienna, VA 22180	703-255-5065
WA	Bellevue	Bellevue Education Inc.	Duckshim Kim	12816 SE 38th St., #C, Bellevue, WA 98006	425-644-5345
WA	Federal Way	Kim & Jung inc	Mihwa Jung	33710 9th Ave. S. #14 Federal Way, WA 98003	253-205-6569
WA	Redmond- East	A Goal LLC	Hanjie Bao	16150 NE 85th Street, # 118, Redmond, WA 98052	425-999-4685
WA	University Place	University Place Education Inc.	Duckshim Kim	7017 27th Street W, #5, University Place, WA 98466	253-343-4693

FRANCHISEES SIGNED BUT NOT OPEN as of 12/31/2025

Sate	City	Franchisee	Address	Phonr Number
TX	McKinney North	Samia Qureshi	8448 Pitkin Road, Frisco, TX 75036	317-832-7501
TX	Prosper West (Aubrey)	Adeel Qureshi	13589 Valencia Drive, Frisco, TX 75035	201-995-4650
IL	Park Ridge	Sangita Thakkar & Chetan Thakkar	1132 Windward Lane, Vernon Hills, IL 60061	224-735-2399
NJ	Mount Olive	Lakrich LLC Richa Sabharwal	28 Sedicavage Way, Budd Lake, NJ 07828	551-556-5734

Exhibit E-2

FRANCHISEES WHO HAVE LEFT THE SYSTEM

Daekyo America, Inc.

Franchisees Who Left the System During the Fiscal Year Ending 12/31/2025

Terminated (Volunteered, Non-Renewal, by Franchisor)

State	Eye Level of…	Franchisee Name	Learning Center Address	Phone Number
CA	Elk Grove	Synergistic Learning Center LLC Lili Wang, Cynthia Aug Lam & Shanshan Lee	2513 W. Taron, #100, Elk Grove, CA 95757	279-800-1003
CA	Milpitas	Apollo Consulting LLC Kane Wong	236 N. Abel Street, Milpitas, CA 95035	408-520-0686
CA	Brentwood	Saritha Kairamkonda	2200 Sand Creek Road, F, Brentwood, CA 94513	
IL	Morton Grove	Monster Education, Inc. Gina Choi	9227 Waukegan Road, Morton Grove, IL 60053	224-770-7400
NY	East Village	Creative Kids of the East Village Inc. Franco Verdino	437 East 12 Street, New York, NY 10009	646-504-7741

Transferred

State	Eye Level of	Franchisee Name	Learning Center Address	Phone number
CA	Cupertino	Smarter Path Academy, Inc. Sujin (Susan)Jeong	982 S. De Anza Blvd. San Jose, CA 95129	408-531-7702
IL	Buffalo Grove	Hera Jeong, Co. Hea In Jeong	1018 Weiland Road, Buffalo Grove, IL 60089	224-616-4030
NJ	Fort Lee	Threetenprospect100 LLC Jinhee Kim	2175 Lemoine Ave, #303, Fort Lee, NJ 07024	201-981-8868
NJ	Livingston	Bishnoi Turtoring, LLC Divya Bishnoi	184 South Livingston Ave, #7, Livingston, NJ 07039	201-888-0175

Exhibit F

STATE ADDENDA AND FRANCHISE AGREEMENT RIDERS

Daekyo America, Inc.

ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE CALIFORNIA FRANCHISE INVESTMENT LAW

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

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 AT LEAST 14 DAYS PRIOR TO THE EXECUTION OF THE AGREEMENT.

The franchisor's website is http://us.eyelevelfranchise.com.

The highest interest allowed by law for Late Payments in the State of California is 10% annually.

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.

Franchisees and Spouses must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

Franchise Agreement Provisions Void as Public Policy:

Any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

(a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.

(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division.

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.

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

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

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

Section 3115 of the Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

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

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

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.

The Franchise Agreement requires litigation if there is a dispute regarding the Franchise Agreement or any other agreement between the franchisee and/or its principals and the franchisor. Litigation must occur where our corporate headquarters is located. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (including Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281) to any provisions of a franchise agreement restricting venue to a forum outside the state of California.

We will comply with all appropriate laws governing any direct financing offered by us to you including, if applicable, the California Finance Lenders Law.

Section 17.I. of the Franchise Agreement limits the statute of limitations to 18 months from the date the complaining party knew or should have known of facts giving rise to the claim. This provision is void to the extent it is inconsistent with the provisions of Corporations Code 31303-31304. Corporations Code Section 31512 provides that "Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this law or any rule or order is void."

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. Any restrictions on pricing may not be enforceable under California law.

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

CALIFORNIA AMENDMENT
TO DAEKYO FRANCHISE AGREEMENT

DAEKYO and Franchisee hereby agree that the Franchise Agreement dated _____, 20___, will be amended as follows:

1. **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 AT LEAST 14 DAYS PRIOR TO THE EXECUTION OF AGREEMENT.**

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

3. 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.).

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

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

6. The Franchise Agreement requires litigation if there is a dispute regarding the Franchise Agreement or any other agreement between the franchisee and/or its principals and the franchisor. Litigation must occur where our corporate headquarters is located. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (including Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281) to any provisions of a franchise agreement restricting venue to a forum outside the state of California.

7. Section 17.I. of the Franchise Agreement limits the statute of limitations to 18 months from the date the complaining party knew or should have known of facts giving rise to the claim. This provision is void to the extent it is inconsistent with the provisions of Corporations Code 31303- 31304. Corporations Code Section 31512 provides that "Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this law or any rule or order is void."

IN WITNESS WHEREOF, DAEKYO and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

DAEKYO:	Franchisee:
DAEKYO AMERICA, INC.	_____
By: _____	By: _____
Its: _____	Its: _____

ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE HAWAII FRANCHISE INVESTMENT LAW

THESE FRANCHISES 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 THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF THE DEPARTMENT 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 SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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.

No release language in the Franchise Agreement shall relieve franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

Notwithstanding anything to the contrary in the disclosure document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois:

1. Item 17 of the disclosure document is amended by the addition of the following language at the beginning of that Item:

"Notice Required By Law

THE TERMS AND CONDITIONS UNDER WHICH YOUR FRANCHISE CAN BE TERMINATED AND YOUR RIGHTS UPON NON-RENEWAL MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS 705/19 - 705/20."

2. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provisions purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

3. Illinois law governs this Franchise Agreement.

4. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

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

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

ILLINOIS AMENDMENT
TO DAEKYO FRANCHISE AGREEMENT

DAEKYO and Franchisee hereby agree that the Franchise Agreement dated _____, 20___, will be amended as follows:

1. Notwithstanding anything else to the contrary herein, Illinois law governs this Franchise Agreement. Any provision in this Franchise Agreement that designates jurisdiction or venue outside the State of Illinois is void.

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

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

4. The Initial Franchise fee shall be deferred until franchisor has satisfied all of the pre-opening obligations to franchisee, and franchisee has commenced doing business, pursuant to Section 200.508 of the rules. The Illinois Attorney General's Office has imposed this deferral requirement due to franchisor's financial condition.

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

IN WITNESS WHEREOF, DAEKYO and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

DAEKYO:	Franchisee:
DAEKYO AMERICA, INC.	_____
By: _____	By: _____
Its: _____	Its: _____

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

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

ADDENDUM TO THE FRANCHISE AGREEMENT PURSUANT TO THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW

1. The appropriate sections of the Franchise Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. The appropriate sections of the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

3. The appropriate sections of the Franchise Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. The Franchise Agreement is amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

5. Section 1.B. of the Franchise Agreement, "Acknowledgments" is deleted in its entirety.

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

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

DAEKYO:	Franchisee:
DAEKYO AMERICA, INC.	_____
By: _____	By: _____
Its: _____	Its: _____

ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE MINNESOTA FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary in the disclosure document and/or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. The Minnesota cover page is amended to add the following statements:

"THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE LICENSE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE."

2. The following language is added to Item 13 of the disclosure document and Section 16.D of the Franchise Agreement:

"The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee's use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification; Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the

tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim."

3. Item 17 of the disclosure document and Section 14.B of the Franchise Agreement are amended as follows:

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

4. No release language in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Minnesota.

5. Item 17 of the disclosure document is amended to add the following and the following language will appear at the end of Section 17.F. of any Franchise Agreement issued in the State of Minnesota:

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

6. Minn. Rule 2860.4400J prohibits waiver of a jury trial. Accordingly, Item 17 of the disclosure document and Section 17.G. of the Franchise Agreement are amended as follows:

> "Nothing contained herein shall limited Franchisee's right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J."

7. These states have statutes which limit the franchisor's ability to restrict your activity after the Franchise Agreement has ended: California Business and Professions Code Section 16,600, Florida Statutes Section 542.33, Michigan Compiled Laws Section 445.771 *et seq.*, Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, Washington Code Section 19.86.030. Other states have court decisions limiting the franchisor's ability to restrict your activity after the Franchise Agreement has ended.

8. A provision in the Franchise Agreement which terminates the franchise upon bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

9. DAEKYO will protect the Franchisee's right granted hereby to use the Marks or will indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Marks.

10. Minn. Rule 2860.4400J prohibits requiring a franchisee to consent to liquidated damages.

11. Section 17.I. of the Franchise Agreement is amended by adding the following:

> "Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5."

MINNESOTA AMENDMENT
TO DAEKYO FRANCHISE AGREEMENT

DAEKYO and Franchisee hereby agree that the Franchise Agreement dated _____, 20___, will be amended as follows:

1. Section 16.D. of the Franchise Agreement is amended to add the following language.

> "The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee's use of the tradename in accordance with the requirements of the franchise, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim."

2. Section 14.B. of the Franchise Agreement is amended to read as follows:

> "At the election of Franchisor, effective upon the expiration of 90 days after giving of written notice in the event Franchisee defaults, and does not cure to Franchisor's reasonable satisfaction within the 60-day notice period, in the performance of any other covenant or provision of this Agreement, including without limitation, the obligation to pay when due any financial obligation to Franchisor, the obligation to make reports and provide information when due hereunder, or failure to maintain any of the standards or procedures prescribed for the Franchised Business in this Agreement, the Manual or otherwise; provided, however, that Franchisee shall be entitled to notice and opportunity to cure any such default only once in any six (6) month period, and any subsequent occurrence of the same or substantially similar default within such six month period shall entitle Franchisor, at its option, to terminate this Agreement effective immediately upon the giving of notice and without opportunity to cure."

3. Franchisor will protect the Franchisee's right granted hereby to use the Marks or will indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

4. Section 14.B. of the Franchise Agreement is amended as follows:

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

5. Section 17.F. of the Franchise Agreement is amended as follows:

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

6. Minn. Rule 2860.4400J. prohibits waiver of a jury trial. Accordingly, Section 17.G. of the Franchise Agreement is amended as follows:

> "Nothing contained herein shall limit Franchisee's right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J."

7. Minn. Rule 2860.4400J. prohibits requiring a franchisee to consent to liquidated damages.

8. Section 17.I. of the Franchise Agreement is amended to add the following:

> "Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5."

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

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

DAEKYO:	Franchisee:
DAEKYO AMERICA, INC.	_____
By: _____	By: _____
Its: _____	Its: _____

ADDENDUM PURSUANT TO
THE NEW YORK FRANCHISE LAW

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMTION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THE FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NYS DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NY 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 WHICH ARE LESS FAVORABLE THAN THOSE SET FOR IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

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

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (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 bankruptcy code; or (c) was a principal officer of a company or a 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. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

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

6. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

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

7. The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor**":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement.

8. 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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___.

Franchisee: _____ Date: _____

Franchisor: _____ Date: _____

ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE NORTH DAKOTA FRANCHISE LAW

Notwithstanding anything to the contrary in the disclosure document, the following provisions shall supersede and apply to all franchises offered and sold in the State of North Dakota:

1. Waiver of trial by jury is prohibited by law in the State of North Dakota. Accordingly, that portion of Section 17.G. of the Franchise Agreement that concerns waiver of jury trial is deleted.

2. Waiver of exemplary and punitive damages is prohibited by law in the State of North Dakota. Accordingly, that portion of Section 17.G. of the Franchise Agreement that concerns waiver of exemplary or punitive damages is deleted.

3. North Dakota prohibits a provision that the franchisee shall pay all costs and expenses incurred by Franchisor in enforcing the Franchise Agreement. Accordingly, Section 17.C. of the Franchise Agreement is amended as follows:

> "In the event either party incurs legal fees or costs or other expenses to enforce any obligation of the other party hereunder, or to defend against any claim, demand, action or proceeding by reason of the other party's failure to perform or observe any obligation imposed upon that party by this Agreement, then the prevailing party shall be entitled to recover from the other party the amount of all legal fees, costs and expenses, including reasonable attorneys' fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action or proceeding to enforce any obligation of the other party hereunder or thereafter or otherwise."

4. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or New Jersey law if those provisions are in conflict with North Dakota law.

5. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from any Franchise Agreement issued in the State of North Dakota.

6. North Dakota has determined that requiring a franchisee to sign a general release upon renewal of the franchise agreement is unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, all references to the Franchisee signing a general release upon renewal of the Franchise Agreement in Item 17(c) of the disclosure document and Sections 12.(C) (10), 13.B. and 14 of the Franchise Agreement are deleted.

7. Summary column (r) in Item 17 of the disclosure document and Section 15.D of the Franchise Agreement prohibit you from owning or being involved with a company or other business that offers services competitive with those offered, franchised or licensed by us for 2

years after termination or expiration of the Franchise Agreement. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. The Commissioner has held that covenants restricting competition are contrary to Section 9-08-06 of the North Dakota Century Code, and are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

NORTH DAKOTA AMENDMENT
TO DAEKYO FRANCHISE AGREEMENT

DAEKYO and Franchisee hereby agree that the Franchise Agreement dated _____, 20___, will be amended as follows:

1. Section 15.D. of the Franchise Agreement is amended to add the following:

> "Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota."

2. Section 17.G. of the Franchise Agreement is deleted to the extent there is a waiver of jury trials.

3. Section 17.G. of the Franchise Agreement is deleted to the extent there is a waiver of a claim for punitive or exemplary damages.

4. Section 17.C. of the Franchise Agreement is amended as follows:

> "In the event either party incurs legal fees or costs or other expenses to enforce any obligation of the other party hereunder, or to defend against any claim, demand, action or proceeding by reason of the other party's failure to perform or observe any obligation imposed upon that party by this Agreement, then the prevailing party shall be entitled to recover from the other party the amount of all legal fees, costs and expenses, including reasonable attorneys' fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action or proceeding to enforce any obligation of the other party hereunder or thereafter or otherwise."

5. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or New Jersey law if such provisions are in conflict with North Dakota law.

6. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from any Franchise Agreement issued in the State of North Dakota.

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

DAEKYO:	Franchisee:
DAEKYO AMERICA, INC.	_____
By: _____	By: _____
Its: _____	Its: _____

ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE RHODE ISLAND FRANCHISE DISCLOSURE ACT

Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by the laws of 1991, 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."

Any pending litigation, disclosed in Item 3 of this Disclosure document or otherwise, will not impair our operations.

VIRGINIA

1. Item 17 of the Franchise Disclosure Document is amended by adding the following: the provision in the Franchise Agreement or Multi-Unit Developer Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. § 101, et. seq.).

2. Item 17(h) of the Franchise Disclosure Document is amended by adding the following:

   Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Multi-Unit Developer 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.

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

3. Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

4. Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

FRANCHISOR

By:_____
Name:_____
Title:_____

FRANCHISEE:

By:_____
Name:_____
Title:_____

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement, or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement, or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

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

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

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Section 1.B. of the Franchise Agreement does not apply in Washington.

20. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

The undersigned parties do hereby acknowledge receipt of this Addendum.

AGREED AND ACCEPTED:

FRANCHISOR:	**FRANCHISEE:**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title:	Title: _____

STATE EFFECTIVE DATES

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

This 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:

California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
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.

RECEIPT
(YOUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Daekyo America, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an Affiliate in connection with the proposed franchise sale. New York and Iowa require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (14 calendar days for 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 agreement or the payment of any consideration, whichever occurs first.

If Daekyo America, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit H

The franchisor is Daekyo America, Inc., located at 1310 Palisade Avenue, Fort Lee, NJ 07024. Its telephone number is (888) 835 -1212.

Issuance date: April 8, 2026 (Effective dates of this Disclosure Document in states requiring registration can be found on the State Effective Date page).

The name, principal business address and telephone number of the franchise sellers for this offering are (check and/or fill in all that apply):

□ Samuel Chun,– 1310 Palisade Avenue, Fort Lee, NJ 07024 201-621-7720

□ _____

Daekyo America, Inc. authorizes the agents listed in Exhibit H to receive service of process for it.

I have received a disclosure document dated April 8, 2026 (that included the following Exhibits:

A – List of State Administrators/Agents for Service of Process	E2 –List of Franchisees Who Have Left the System
B – Franchise Agreement	F – State Addendum
C – Financial Statements	
D – Table of Contents of Operations Manual	
E1 – List of Franchisees	

Date:_____ _____

(Do not leave blank) Signature of Prospective Franchisee

_____

Print Name

Please sign and return this Receipt immediately upon receipt in the manner required by the Franchisor.

RECEIPT
(FRANCHISOR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Daekyo America, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an Affiliate in connection with the proposed franchise sale. New York and Iowa require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (14 calendar days for 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 agreement or the payment of any consideration, whichever occurs first.

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(Do not leave blank)

_____
Signature of Prospective Franchisee

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