

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
REGISTRATION DIVISION
(651) 539-1628

IN THE MATTER OF THE REGISTRATION OF:

Bricks 4 Kidz

By BFK Franchising Company LLC

ORDER OF
REGISTRATION

WHEREAS, an application has been filed pursuant to Minn.
Stat. §80C.04; and

WHEREAS, the applicant has complied with the requirements
of registration,

NOW, THEREFORE, IT IS ORDERED, that the registration be
declared effective as of the date set forth below.

A handwritten signature in cursive script, reading "Mike Rothman".

MIKE ROTHMAN
Commissioner
Department of Commerce
85 7th Place East, Suite 500
St Paul, MN 55101

Date: April 10, 2015
dlw

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UNIFORM FRANCHISE REGISTRATION APPLICATION

STATE: Minnesota

FILE NO:
FEE: \$400

State of Minnesota
Dept. of Commerce

MAR 30 2015

Rec'd \$ 400

APPLICATION FOR (Check only one):

☒ INITIAL REGISTRATION OF AN OFFER AND SALE OF FRANCHISES

☐ REGISTRATION RENEWAL STATEMENT OR ANNUAL REPORT

☐ PRE-EFFECTIVE AMMENDMENT

☐ POST-EFFECTIVE MATERIAL AMENDMENT

F-7611

1. Full legal name of Franchisor:

BFK Franchise Company, LLC

2. Name of the franchise offering:

Bricks 4 Kidz

3. Franchisor's principal business address:

701 Market St., Suite 113
St. Augustine, FL 32095

4. Name and address of Franchisor's agent in the State of Minnesota authorized to receive process:

Minnesota Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 500
ST. Paul, MN 55101

12/31

5. The states in which this application is or will shortly be on file:

Indiana	South Dakota	North Dakota	Wisconsin
California	Washington	Illinois	
Minnesota	Rhode Island	Hawaii	
Wisconsin	New York	Virginia	

6. Name, address, telephone and facsimile numbers, and e-mail address of person to whom communications regarding this application should be directed:

Brian Pappas, 701 Market Street, Suite 113, St. Augustine, FL 32095; Phone: 904-824-3133;
Fax: 1-904-824-3433; Email: legal@creativelearningcorp.com

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March 25, 2015

Market Assurance Division
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(651) 296-4520

Re: BFK Franchise Company, LLC (the "Company") Franchise Registration

TO WHOM IT MAY CONCERN:

In connection with the Company's registration, I have enclosed a Uniform Franchise Registration Application consisting of the following materials:

1. Uniform Registration Application;
2. Franchisor's Cost and Source of Funds;
3. Certification Page;
4. One clean copy of the Franchise Disclosure Document;
5. Four (4) Seller Disclosure Forms;
6. A check in the amount of \$400 for the applicable filing fee; and

If you should have any questions or comments, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Starla Hersey". The signature is fluid and cursive, with the first name "Starla" being more prominent than the last name "Hersey".

Starla Hersey
Paralegal/Franchise Compliance
(904) 824-3133
legal@creativelearningcorp.com

Form B – Franchisor’s Costs and Sources of Funds

FRANCHISOR'S COSTS AND SOURCE OF FUNDS

1. Disclose the Franchisor's total costs for performing its pre-opening obligations to provide goods or services in connection with establishing each franchised business, including real estate, improvements, equipment, inventory, training and other items stated in the offering:

Category	Costs
Real Estate	0
Improvements	0
Equipment	0
Inventory	\$1000
Training	\$2500
Other (describe)	
Totals	\$3500

2. State separately the sources of all required funds:

- Cash assets
- Initial Franchise Fee

Certification

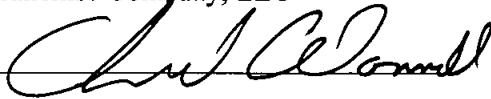
I certify under penalty of law that I have read and know the contents of this application including the Franchise Disclosure Document with an issuance date of January 16, 2015, attached as an exhibit, and that all material facts stated in all those documents are accurate and those documents do not contain any material omissions. I further certify that I am duly authorized to make this certification on behalf of the Franchisor and I do so upon my personal knowledge.

Signed at 701 Market St., Suite 113, St. Augustine, FL 32095. March 25, 2015

Franchisor:

BFK Franchise Company, LLC

By: _____

A handwritten signature in black ink, appearing to read "Daniel O'Donnell", written over a horizontal line.

Name: Daniel O'Donnell

Title: Chief Operations Officer

CORPORATE ACKNOWLEDGMENT

STATE OF Florida)
) ss.
COUNTY OF St. Johns)

On this 25th day of March, 2015, before me

Daniel O'Donnell, the undersigned officer, personally appeared and known personally to me to be the Chief Operations Officer for BFK Franchise Company, LLC, and that he, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as such officer.

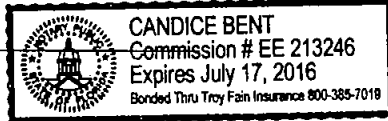
IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Candice Bent

(Notary Public)

(NOTARIAL SEAL)

My commission expires:



Form U-2 Uniform Consent to Service of Process

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned BFK Franchise Company, LLC, a limited liability company organized under the laws of Florida, for purposes of complying with the laws of the States indicated hereunder relating to either the registration or sale of securities, hereby irrevocably appoints the officers of the States so designated hereunder and their successors in such offices, its attorney in those States so designated upon whom may be served any notice, process or pleading in any action or proceeding against it arising out of, or in connection with, the sale of securities or out of violation of the aforesaid laws of the States so designated; and the undersigned does hereby consent that any such action or proceeding against it may be commenced in any court of competent jurisdiction and proper venue within the States so designated hereunder by service of process upon the officers so designated with the same effect as if the undersigned was organized or created under the laws of that State and have been served lawfully with process in that State.

It is requested that a copy of any notice, process or pleading served hereunder be mailed to:

Brian Pappas, Managing Director

(Name)

701 Market Street, Suite 113, St. Augustine, FL 32095


(Address)

Place an "X" before the names of all the States for which the person executing this form is appointing the designated Officer of each State as its attorney in that State for receipt of service of process:

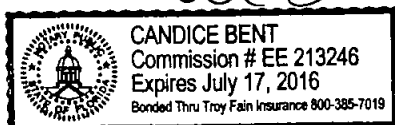
<input type="checkbox"/> AL	Secretary of State	<input type="checkbox"/> FL	Dept. of Banking and Finance
<input type="checkbox"/> AK	Administrator of the Division of Banking and Corporations, Department of Commerce and Economic Development	<input type="checkbox"/> GA	Commissioner of Securities
<input type="checkbox"/> AZ	The Corporation Commission	<input type="checkbox"/> GUAM	Administrator, Department of Finance
<input type="checkbox"/> AR	The Securities Commissioner	<input type="checkbox"/> HI	Commissioner of Securities
<input type="checkbox"/> CA	Commissioner of Corporations	<input type="checkbox"/> ID	Director, Department of Finance
<input type="checkbox"/> CO	Securities Commissioner	<input type="checkbox"/> IL	Secretary of State
<input type="checkbox"/> CT	Banking Commissioner	<input type="checkbox"/> IN	Secretary of State
<input type="checkbox"/> DE	Securities Commissioner	<input type="checkbox"/> IA	Commissioner of Insurance
<input type="checkbox"/> DC	Dept. of Insurance, Securities and Banking	<input type="checkbox"/> KS	Secretary of State
<input type="checkbox"/> KY	Director, Division of Securities	<input type="checkbox"/> OH	Secretary of State
<input type="checkbox"/> LA	Commissioner of Securities	<input type="checkbox"/> OR	Director, Department of Insurance and Finance

<input type="checkbox"/> ME	Administrator, Securities Division	<input type="checkbox"/> OK	Securities Administrator
<input type="checkbox"/> MD	Commissioner of the Division of Securities	<input type="checkbox"/> PA	Pennsylvania does not require filing of a Consent to Service of Process
<input type="checkbox"/> MA	Secretary of State	<input type="checkbox"/> PR	Commissioner of Financial Institutions
<input type="checkbox"/> MI	Commissioner, Office of Financial and Insurance Services	<input type="checkbox"/> RI	Director of Business Regulation
<input checked="" type="checkbox"/> MN	Commissioner of Commerce	<input type="checkbox"/> SC	Securities Commissioner
<input type="checkbox"/> MS	Secretary of State	<input type="checkbox"/> SD	Director of the Division of Securities
<input type="checkbox"/> MO	Securities Commissioner	<input type="checkbox"/> TN	Commissioner of Commerce and Insurance
<input type="checkbox"/> MT	State Auditor and Commissioner of Insurance	<input type="checkbox"/> TX	Securities Commissioner
<input type="checkbox"/> NE	Director of Banking and Finance	<input type="checkbox"/> UT	Director, Division of Securities
<input type="checkbox"/> NV	Secretary of State	<input type="checkbox"/> VT	Commissioner of Banking, Insurance, Securities & Health Administration
<input type="checkbox"/> NH	Secretary of State	<input type="checkbox"/> VA	Clerk, State Corporation Commission
<input type="checkbox"/> NJ	Chief, Securities Bureau	<input type="checkbox"/> WA	Director of the Department of Licensing
<input type="checkbox"/> NM	Director, Securities Division	<input type="checkbox"/> WV	Commissioner of Securities
<input type="checkbox"/> NY	Secretary of State	<input type="checkbox"/> WI	Department of Financial Institutions, Division of Securities
<input type="checkbox"/> NC	Secretary of State	<input type="checkbox"/> WY	Secretary of State
<input type="checkbox"/> ND	Securities Commissioner		

Dated this 25th day of March, 2015
(SEAL)

By 
Daniel O'Donnell
 Chief Operations Officer





FRANCHISE DISCLOSURE DOCUMENT

BFK FRANCHISE COMPANY LLC
A Nevada Limited Liability Company
DBA



Bricks 4 Kidz®
701 Market St., Suite 113
St. Augustine, Florida 32095
904-825-0873
www.brick44kidz.com
bpappas@brick44kidz.com

12/31
As a Bricks 4 Kidz® franchisee, you will own and operate a service business within a defined exclusive territory, providing project-based programs designed to teach principles and methods of engineering to children, ages 3-13+, using LEGO® bricks.

The total investment necessary to begin operation of a Bricks 4 Kidz® franchise is from \$33,800 to \$51,050. This includes a franchise fee of \$25,900 which must be paid to the franchisor.

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 can sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department at 701 Market Street, Suite 113, St. Augustine, Florida 32095; telephone (904) 825-0873.

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

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

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

ISSUANCE DATE: January 16, 2015

STATE COVER PAGE

Your state may have franchise laws that require a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit E for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW OUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN FLORIDA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA GOVERNS THE AGREEMENT AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. YOU MUST PAY THE FRANCHISOR MINIMUM ROYALTY FEES OF \$1,500 FOR EVERY TWELVE-WEEK PERIOD BEGINNING AFTER YOUR FIRST SIXTEEN WEEKS OF OPERATION EVEN IF THE FRANCHISE BUSINESS HAS NO REVENUE. YOU WILL LOSE \$18,000 OF THE FRANCHISE FEE AND THE FRANCHISE RIGHTS TO THE PROTECTED TERRITORY IF YOU FAIL TO ESTABLISH A BRICKS 4 KIDZ® BUSINESS WITHIN THREE MONTHS FROM SIGNING THE FRANCHISE AGREEMENT.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

EFFECTIVE DATE: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

<u>State</u>	<u>Effective Date</u>
California	January 20, 2014
Hawaii	March 4, 2014
Illinois	January 31, 2014
Indiana	August 14, 2014
Maryland	February 4, 2014
Michigan	October 15, 2014
Minnesota	January 3, 2015
New York	February 15, 2014
North Dakota	August 14, 2014
South Dakota	November 28, 2014
Virginia	May 23, 2014
Washington	September 23, 2014
Wisconsin	October 15, 2014

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, the terms “Bricks 4 Kidz[®]”, “we” or “us” refer to BFK Franchise Company LLC, the franchisor of this business. “You” refers to the franchisee, which buys the franchise and includes an individual or a corporation, partnership, limited liability company or other legal entity. If a corporation, partnership or limited liability company buys the franchise, “you” includes each general partner in a partnership, the shareholders, officers or directors of a corporation, or members, officers or managing agents of a limited liability company.

Franchisor, Parent, and Affiliates

We maintain our principal place of business at 701 Market Street, Suite 113, St. Augustine, Florida 32095. We are a Nevada limited liability company and were formed on March 14, 2009. We conduct business under the name and mark “Bricks 4 Kidz[®]” and “Bricks 4 Biz[™]”, and we do not conduct business under any other name or mark.

Our parent company is Creative Learning Corporation, a Delaware corporation, located at 701 Market Street, Suite 113, St. Augustine, Florida 32095. We, BFK FRANCHISE COMPANY, LLC, do not have any affiliates. We have a wholly-owned subsidiary, BFK Development Company, LLC, a Nevada limited liability company (“BFKD”). BFKD was organized November 25, 2009, and was established to operate Bricks 4 Kidz[®] Creativity Centers as well as operate the Bricks 4 Kidz[®] mobile model (after-school programs and field trips in the schools). Creativity Centers are 1000-2000sq ft. retail outlets that host various activities such as after-school classes, field trips, camps, birthday parties and other events using LEGO[®] products. BFKD does not offer franchises for its business, and does not conduct business in any other line except as stated above.

We do not have any predecessors.

Agent for Service of Process

Our agent for service of process is listed on Exhibit F of this Disclosure Document.

Prior Experience

We have been offering Bricks 4 Kidz[®] franchises since July, 2009. We have not conducted a business of the type that you will operate. We do not offer any franchise other than as described in this Disclosure Document, and we do not engage in any business activity other than such franchising activities.

The Business We Offer

As a Bricks 4 Kidz[®] franchisee, you will own and operate a service business (the “**BUSINESS**”) within a defined exclusive territory, providing project-based programs designed to teach principles and methods of engineering to children, ages 3-13+, using LEGO[®] bricks. You will

offer these programs through after-school classes in preschools, elementary, and middle schools, in-school field trips, camps (during school holidays and summer vacation) and birthday parties.

The general market for your BUSINESS is primarily children between the ages of 3 and 13+, but we may develop programs for other age groups including adults. You will compete with other companies and non-profit organizations that offer similar classes, camps and birthday parties.

If you elect to enter into the Addendum to the Franchise Agreement for the additional, but not material, right to conduct classes and provide programs in the field of team-building and development (collectively, the "B4B Services") under Franchisor's service mark "Bricks 4 Biz™" (the "B4B Mark"), you will, in addition to the services provided by you under the Bricks 4 Kidz® BUSINESS, have the right to provide the B4B Services to adults 18+, subject to the terms and conditions of the Addendum.

Applicable Regulations

You must comply with all local, state, and federal laws that apply to your BUSINESS' operations. Many states require that you be "cleared" to offer after-school classes in the public school system. This may require completing specific forms and being finger printed. It is your responsibility to thoroughly investigate the applicable business and licensing rules and regulations in your state before opening your BUSINESS.

ITEM 2 BUSINESS EXPERIENCE

Brian Pappas – Managing Director

From June, 2009, to the present, Mr. Pappas has been Managing Director of BFK Franchise Company LLC. From March, 2006, to June, 2009, Mr. Pappas was Managing Director of Digicom Specialties Franchise Company, LLC, Atlanta, Georgia.

Dan O'Donnell – Chief Operations Officer

From April, 2010, to the present, Mr. O'Donnell has been the Chief Operations Officer for BFK Franchise Company LLC. From January, 2010, to the present, Mr. O'Donnell has been the owner of Leap Ahead Learning Company, Inc., St. Augustine, Florida. From 2004, to December, 2009, Mr. O'Donnell was a principal of The Whole Child Learning Company, St. Augustine, Florida.

ITEM 3 LITIGATION

(i) Katherine Daniels and Susan Zachmann v. Digicom Specialties Franchise Company, LLC (DSFC), Averil Johnson, and Brian Pappas (Civil Action Number 2009C0167619), Superior Court of Fulton County, State of Georgia. On May 8, 2009, Plaintiffs filed suit against DSFC, Averil Johnson, and Brian Pappas, alleging breach of contract and other counts. Pappas has denied all allegations. The parties have entered into a Settlement Agreement.

(ii) BFK Franchise Company v. Robin Staples (Civil Action Number CA-11-1595), Circuit Court, Seventh Judicial Circuit, St. Johns County, Florida. On September 29, 2011, we filed a suit against Robin Staples, alleging that Ms. Staples violated a non-compete clause in a license agreement that we entered into with Ms. Staples in 2010, and misappropriation of confidential and proprietary information. Ms. Staples responded by filing, on October 31, 2011, an action entitled Robin Staples v. BFK Franchise Company, LLC (Civil Case No. 11-2-37615-0 SEA), Superior Court, King County, Washington, alleging that she did not violate the non-compete provision of the referenced license agreement. Effective June 15, 2012, we and Ms. Staples entered into a Settlement Agreement, providing for a mutual release, and an acknowledgment of the right to compete against each other, except that Ms. Staples may not teach or conduct engineering classes for children using Legos® outside of King and Snohomish Counties, Washington, for a period of 24 months beginning June 15, 2012.

(iii) Minds that Matter, LLC; Dave Calloway vs. BFK Franchise Company, LLC; JP Development, LLC, et al. (Civil Action Number A-13-68287-B), Eighth Judicial District Court, Clark County, Nevada. On September 24, 2014, Minds that Matter, LLC, filed a complaint, naming, among others, BFK Franchise Company, LLC, as a defendant, alleging deceptive trade practices. The plaintiff elected not to serve BFK or any of the other defendants named in the complaint. Prior to filing the complaint, plaintiff had been informed by BFK that plaintiff was in breach of its franchise agreement. A settlement agreement has been executed between the parties, and the plaintiff has dismissed the case with prejudice.

(iv) Kristena Bins-Turner, et al. v. BFK Franchise Company, LLC, Case No. 3:14-cv-769-J-34MCR, U.S. District Court of Middle District of Florida, filed July 1, 2014. A franchisee, Back and 4th, LLC and its owner, Kristena Bins-Turner, sued to try to obtain a declaratory judgment declaring that the franchisee is not in breach of its franchise agreements based on its operation of businesses in addition to its franchised "Bricks 4 Kidz" business, and the use of the "Bricks 4 Kidz®" mark on a website operated by its affiliate. Pursuant to a settlement agreement (under which neither party was held liable), this case was voluntarily dismissed with prejudice on November 4, 2014.

Governmental Actions:

(i) Washington State Consent Order Number S-11-0617-11-CO01. On July 26, 2011, we entered into a Consent Order with the Washington Department of Institutions, Securities Division, whereby we agreed not to offer franchises for sale in the State of Washington. Such agreement applied until such time as we were approved to offer franchises for sale in the State of

Washington. On September 23, 2011, we were granted authority to offer and sell franchises in the State of Washington under Permit No. 70014808.

(ii) ASSURANCE OF DISCONTINUANCE (AOD) – NEW YORK STATE DEPARTMENT OF LAW INVESTOR PROTECTION BUREAU - AOD # 12-027. In April 2012, we entered into an ASSURANCE OF DISCONTINUANCE with the State of New York. We have neither admitted nor denied the Findings of Law in the AOD which states that we sold two franchises in the State of New York without registering our franchise offering prospectus or applying for an exemption with the Office of the Attorney General, subject to the provisions of the New York Franchise Sales Act. We agreed not to sell any franchises in New York until our franchise application had been approved. We also agreed to offer a right of rescission to our two New York State franchisees. Our franchise application was approved by the State of New York on April 16, 2012.

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

ITEM 4 BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5 INITIAL FRANCHISE FEE

You must pay us an initial franchise fee of \$25,900, which is paid in full when you sign the Franchise Agreement. The Initial Franchise Fee represents the consideration for a territory as referenced in Item 12. Additional territories may be purchased at the same time that you sign the Franchise Agreement (and pay the Initial Franchise Fee), for a fee of \$14,000 per territory. You may purchase an additional territory at any time during the term of the Franchise Agreement for a fee of \$18,000 per territory. We will determine the territory.

The Franchise Fee is fully earned by us when you sign the Franchise Agreement and is not refundable under any circumstance with the exception that in the event you do not open your BUSINESS within the specified time period, we have the right to terminate your Franchise Agreement and retain \$18,000 of the franchise fee. You will be required to sign a covenant not to compete and a covenant not to disclose our secrets in a form acceptable to us, as a condition for the refund in either instance. Other costs incurred by you in connection with the investment are not reimbursable. There are no refunds under any other circumstances.

ITEM 6 OTHER FEES

(Column 1) Type of Fee*	(Column 2) Amount	(Column 3) Due Date	(Column 4) Remarks
Royalty Fee	7% of Weekly Gross Receipts Minimum \$1,500 every 12 Accounting Periods	4th business day of the week following each Accounting Period.	Minimum not in effect during the first 12 Accounting Periods. (See Notes 1 and 2)

Transfer Fee	10% of the then current franchise fee	Before transfer	Payable by the transferee
Renewal Fee	\$5,000	Prior to renewal	Payable if you choose to renew for a second 10-year term.
Franchise Management Tool (FMT)	\$75/month	Paid monthly	You must pay to a third party a monthly fee of \$75 for the FMT (See Note 6)
Audit Costs	All costs and expenses associated with the audit, reasonable accounting and legal costs. \$2,000 - \$5,000	Upon demand	(See Note 2)
Late Fees	1.5% per month on the underpayment amount	If funds are not available 10 days after Royalty Fees are due	Payable on overdue Royalty and Marketing Fees
Marketing Fee	2% of Gross Weekly Receipts	Paid with Royalty Fees	(See Note 3)
On-site Training/Assistance Fee	\$800 - \$4,000	As incurred	(See Note 4)
Training of a replacement Designated Manager	\$800 - \$4,000	As incurred	(See Note 4)
Non-sufficient funds fees	Actual bank fees, plus \$25	As incurred	(See Note 5)

* The table describes other recurring or isolated fees or payments that you (as a franchisee) must pay to us or a third-party, and are non-refundable.

NOTES:

Note 1. Royalty Fees. For each Accounting Period, as defined below, during the term of the Franchise Agreement, you will pay to us royalty fees (“**Royalty Fees**”) in the amount of: seven percent (7%) of Gross Weekly Receipts during an Accounting Period (as defined below), which is subject to a minimum of \$1,500 (“**Minimum Royalty Fee**”) for each twelve (12) Accounting Periods, except during the first twelve (12) Accounting Periods, where there will be no Minimum Royalty Fee (i.e., Royalty Fees during the first 12 Accounting Periods will be based only on actual Gross Weekly Receipts, no matter the amount). In addition, you will provide to us for each Accounting Period, in writing (or electronically), a report of your Gross Weekly Receipts (a “**Receipts Report**”) for the immediately preceding Accounting Period.

The term “**Gross Weekly Receipts**” means revenue from all services from your BUSINESS, and all other income of every kind and nature related to, derived from, or originating from the BUSINESS. The term “**Accounting Period**” means a one-week period beginning on Monday and ending on Sunday. In the event that you open your BUSINESS on a day other than a Monday, then the first (1st) Accounting Period will include any days from and including the Opening Date through the end of that week.

Note 2. Audit-related Costs. We have the right to make on-site reviews of your books and records at reasonable times during business hours and to make demand for unpaid Royalty Fees

or advertising fees, if any. If an examination of your books and records reveal an understatement of Gross Weekly Receipts greater than two percent (2%) for any consecutive twelve (12) Accounting Periods, you are required to reimburse us for the cost of such audit or examination, together with interest accrued thereon at the rate of one and one-half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less.

Note 3. Marketing Fee. For each Accounting Period during the term of the Franchise Agreement, you will make a contribution (the “**Marketing Fee**”) to our system-wide marketing and advertising fund (the “**Marketing Fund**”) in the amount of two percent (2%) of Gross Weekly Receipts for the immediately preceding Accounting Period. You will pay the Marketing Fee in the same manner as the Royalty Fee (See Note 1 above).

The Marketing Fund will not be used for our general operating expenses, but will be used and expended for media costs, commissions, fees, production costs, and other costs of advertising which is published, broadcast, televised, mailed, displayed, or otherwise disseminated. You agree and acknowledge that the Marketing Fund is intended to maximize general public recognition, acceptance, and use of our franchised system (“**SYSTEM**”); and that we or our designee are not obligated, in administering the Marketing Fund, to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Marketing Fund.

Note 4. Training Expenses. There is no fee for our training program. However, you will incur expenses associated with our initial training program. Additional on-site training and training for a replacement Designated Manager is available at a cost of \$800 per diem which includes travel and lodging expenses (See Item 15 below).

Note 5. Non-sufficient funds fees. In the event that any payment to us by you is rejected for non-sufficient funds, you are required to reimburse us for actual costs incurred by us from our bank, plus \$25.

Note 6. Franchise Management Tool. We shall provide you access to our proprietary, online Franchise Management Tool (“**FMT**”). You are required to maintain all bookkeeping and record keeping for the BUSINESS online using the FMT. Beginning in the first month of your operations, you shall pay to our vendor (and developer of the FMT), Leap Ahead Learning Company, Inc., which is owned by Daniel O’Donnell, our Chief Operations Officer, a set-up fee of \$250 and a monthly support fee of \$75. Such fee may increase from time to time upon thirty (30) days’ notice, but shall not exceed \$100 per month. You may access the FMT from any computer whether purchased, leased, or public.

ITEM 7 ESTIMATED INITIAL INVESTMENT

<u>YOUR ESTIMATED INITIAL INVESTMENT</u>

(Column 1) Type of Expenditure	(Column 2) Amount	(Column 3) Method of Payment	(Column 4) When Due	(Column 5) To Whom Payment is to be Made
Franchise Fee (See Note 1)	\$25,900	Lump Sum	Upon Signing of Franchise Agreement	Us
Equipment - (See Note 2)	\$1,000 to \$2,000	Lump Sum	30 days prior to operating	Third parties
Product/supplies (See Note 3)	\$200 to \$1,000	Lump Sum	30 days prior to operating	Third parties
Insurance Premium (See Note 4)	\$200 to \$2,000	Lump Sum or monthly	One week before commencement of operations	Insurance Agent
Office & Printing Supplies (See Note 5)	\$200	Lump Sum	10 days prior to commencement of operations	Suppliers
Professional Fees (See Note 6)	\$500 to \$2,000	As Incurred	As required	Professionals
Training Expenses (See Note 7)	\$500 to \$2,000	As incurred	As required	Airlines, hotels and restaurants
Marketing Materials (See Note 8)	\$0 to \$500	Lump Sum	15 days prior to operating	Supplier
Business License (See Note 9)	\$50 to \$200	Lump Sum	As Required	Governmental Licensor
Additional Funds –3 months (See Note 10)	\$4,000 to \$10,000	As needed	As required	Third Parties
Initial Marketing Plan (See Note 11)	\$1,000 to \$5,000	Lump Sum	As incurred	Advertising Suppliers
Franchise Management Tool (FMT) (See Note 12)	\$250 set-up fee	Lump Sum	10 days prior to commencement of operations	Third Party
Real Estate and Improvements (See Note 14)	\$0	Not Required	Not Required	Not Required
Security Deposits, Utility Deposits (See Note 14)	\$0	Not Required	Not Required	Not Required
TOTAL	\$33,800 to			

Estimated Initial Investment (See Note 13)	\$51, 050			
<u>YOUR ESTIMATED INITIAL INVESTMENT</u>				
(Column 1) Type of Expenditure	(Column 2) Amount	(Column 3) Method of Payment	(Column 4) When Due	(Column 5) To Whom Payment is to be Made
Franchise Fee (See Note 1)	\$25,900	Lump Sum	Upon Signing of Franchise Agreement	Us
Equipment - (See Note 2)	\$1,000 to \$2,000	Lump Sum	30 days prior to operating	Third parties
Product/ supplies (See Note 3)	\$200 to \$1,000	Lump Sum	30 days prior to operating	Third parties
Insurance Premium (See Note 4)	\$200 to \$2,000	Lump Sum or monthly	One week before commencement of operations	Insurance Agent
Office & Printing Supplies (See Note 5)	\$200	Lump Sum	10 days prior to commencement of operations	Suppliers
Professional Fees (See Note 6)	\$500 to \$2,000	As Incurred	As required	Professionals
Training Expenses (See Note 7)	\$500 to \$2,000	As incurred	As required	Airlines, hotels and restaurants
Marketing Materials (See Note 8)	\$0 to \$500	Lump Sum	15 days prior to operating	Supplier
Business License (See Note 9)	\$50 to \$200	Lump Sum	As Required	Governmental Licensor
Additional Funds –3 months (See Note 10)	\$4,000 to \$10,000	As needed	As required	Third Parties
Initial Marketing Plan (See Note 11)	\$1,000 to \$5,000	Lump Sum	As incurred	Advertising Suppliers
Franchise Management Tool (FMT) (See Note 12)	\$250 set-up fee	Lump Sum	10 days prior to commencement of operations	Third Party
Real Estate and Improvements (See Note 14)	\$0	Not Required	Not Required	Not Required
Security	\$0	Not Required	Not Required	Not Required

Deposits, Utility Deposits (See Note 14)				
TOTAL Estimated Initial Investment (See Note 13)	\$33,800 to \$51, 050			

* All fees and expenditures represented in the above table in reference to us are non-refundable (except as outlined in Item 5).

Notes:

1. The Franchise Fee is for a territory as described in Item 12. Each additional territory is \$14,000 if you purchase the territory(ies) at the same time as your first territory. You may purchase additional territories at any time during the term of your Franchise Agreement for \$18,000 per territory.
2. You must purchase a label maker, a system to transport the project kits that we provide to you and the free play LEGO® bricks, and a laptop computer if you do not already own one. The cost will vary according to the brand you purchase.
3. We provide you an initial supply of project kits (LEGO® bricks), but you may need to purchase an additional supply depending on the number of classes you start out with and how many children you will have in your class(es). You must purchase an initial supply of free-play LEGO® bricks. You may purchase these from any supplier.
4. You must carry Comprehensive General Liability Insurance. The figure in the chart represents an estimated annual premium. Your insurance carrier may permit you to pay the premium on a monthly basis. These figures do not include Worker's Compensation Insurance. Worker's Compensation Insurance is calculated on the amount of your annual payroll and is rated by each individual state and by individual employee categories and therefore there may be a large variation in premiums. You may purchase insurance from any insurance agent or company.
5. You will need standard office supplies.
6. This includes attorney and accountant fees. You may use any professional(s) you choose.
7. There is no fee required to be paid to us for our initial training program. However, you will incur expenses associated with our initial training program. For the initial training program, we provide an instructor and instructional materials, but you will need to arrange and pay for transportation, lodging, and food for yourself and any employees, and for any wages for the employees. The cost will depend on the distance you must travel to the training location, the type of accommodations you choose, and the number of people who attend training. Additional on-site training is available at a cost of \$800 per diem.
8. We provide you an initial supply of marketing materials but you may want to purchase additional supplies.
9. Some states (or other governmental bodies) require you to obtain a license before beginning operations. The costs of the license will vary.
10. This item covers expenses you may incur during the three-month initial phase of your BUSINESS. These expenses may include royalty fees, lease payments, auto expenses,

advertising expenses, insurance premiums, payroll costs, supplies, etc. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your BUSINESS. Your costs during this initial phase will depend on factors including how well you follow our procedures, your management skills, experience and business abilities, local economic conditions, the prevailing wage rates, competition and the sales level reached during this initial phase.

11. We will assist you in developing and conducting an Initial Marketing program. The estimate is for the initial promotion efforts you will need to make. These efforts must begin within seven days after the commencement of operations at your BUSINESS, and must be completed within 90 days after the commencement of operations.
12. You must lease the Franchise Management Tool from an outside vendor and pay a set-up fee.
13. This item estimates your initial start-up expenses for a single franchise (other than the items identified separately in the table). These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your BUSINESS. Your actual costs for initial start-up expenses during your BUSINESS' first 3 months of operation depend on how closely you follow our methods and procedures, your management skill, experience, and business acumen and local economic conditions.
14. You are not required to have a physical location to operate the BUSINESS. The BUSINESS is intended to be operated from a home or a mobile location. No independent office space is required to operate the BUSINESS. Almost all of your record keeping should be conducted through the Franchise Management Tool. If you choose not to operate the BUSINESS from a home or a mobile location, we are unable to provide to you an estimation of costs associated with operating out of a fixed location, as those costs would vary considerably depending on your choice of the physical location and its layout.

We relied upon the experience of our founder, Michelle Cote, operating her own BUSINESS since June, 2008, to compile these estimates. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer direct or indirect financing for any items.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

You may purchase all products, supplies, equipment, materials, and other products used or offered for sale at your BUSINESS from any supplier as long as the quality is equal to or better than that of the suppliers recommended by us. We will notify you of our disapproval of any supplier if they fail to meet our standards.

To ensure that the quality of the products and services you offer under our Marks is consistent, you must purchase or lease items that meet our specifications and standards. Our standards and specifications are in our Manuals and other written materials. We have the right to modify standards (including those for suppliers) and specifications by revisions to our Manuals and other periodic directives to you. You have no obligation to purchase or lease from us any of the

products, services, fixtures, equipment, inventory or real estate used in establishing or operating your BUSINESS.

You may, but are not obligated to, purchase certain LEGO® supplies directly from MC LOGIC, LLC, which is owned by Michelle Cote. We do not sell any LEGO® products, marketing materials or any other supplies that you may need in your business.

Except for the online Franchise Management Tool (“FMT”), which is provided by Leap Ahead Learning Company, Inc., which is owned by Daniel O’Donnell, our Chief Operations Officer, neither we nor any affiliate of ours are approved suppliers of any products that you will need for your BUSINESS. Except as stated in the immediately preceding sentence, no officer of ours owns an interest in any supplier of products required for your BUSINESS. The FMT is addressed in Item 6 of this Disclosure Document.

Revenue from Franchisee Purchases

We do not derive revenue from your purchase of LEGO® bricks, marketing materials, T-shirts or other supplies from any vendor.

Cooperatives

We do not have any purchasing or distribution cooperatives.

Negotiated Prices

We have negotiated prices on certain marketing materials that you will need in your BUSINESS with New Image Printing & Promotions, located in Jacksonville, Florida, and Drummond Press, location in Jacksonville, Florida.

Material Benefits

Except as described in this Item, we do not currently provide any material benefits to you based upon your use of designated or approved sources except that you know that we have confidence that the designated or approved vendor can perform to our specifications.

Software

We provide you with a proprietary Franchise Management Tool software designed exclusively for the BUSINESS for which you must pay to our vendor, Leap Ahead Learning Company, Inc., which is owned by Daniel O’Donnell, our Chief Operations Officer, which requires a set-up fee of \$250 and a monthly user fee of \$75. This may increase from time to time but will not exceed \$100 per month. The specifications for the hardware that you must own to run the Franchise Management Tool software are described in the OPERATIONS MANUAL. You are not required to purchase any additional software. You may purchase the computer hardware from any supplier.

Insurance

You are required to purchase (i) comprehensive general liability insurance, with minimum limits of \$1,000,000 per person and \$2,000,000 aggregate per occurrence, and (ii) business interruption insurance. Other insurance also may be required by the state and/or locality in which your Business is located. For a more detailed description of required coverage, refer to Section 9 of the Franchise Agreement.

We will be named an additional insured in such policy, or policies. Said policies will be secured by you before commencement of your BUSINESS, and proof of such insurance must be provided to us prior to opening or build out by you to include but not limited to Comprehensive General Liability Coverage, Business Interruption Coverage, such additional insurance as may be required by the terms of any lease for your BUSINESS or leased equipment, and any other insurance coverage that is required by federal, state, or municipal law.

Summation

Collectively, the purchases described above are approximately forty percent (40%) of your overall purchases in establishing and operating the BUSINESS. The only recurring fee in the on-going operation of the BUSINESS is the monthly fee for the Franchise Management Tool.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT ("FA")	ITEMS IN DISCLOSURE DOCUMENT
(a) Site selection and acquisition/lease	§ 3 in FA	Item 11
(b) Pre-opening purchases/leases	§7 of FA	Items 6, 7 and 8
(c) Site development and other pre-opening requirements	§§ 4 and 7 FA	Item 11
(d) Initial and ongoing training	§§ 4 and 7 FA;	Items 5, 6, 7 and 11
(e) Opening		
(f) Fees	§§ 1, 6 and 8 of FA	Items 5, 6 and 7
(g) Compliance with standards and policies/Operating Manual	§7 of FA	Items 8, 11 and 14
(h) Trademarks and proprietary information	§ 10 of FA	Items 13 and 14
(i) Restrictions on products/services offered	§ 7 of FA	Items 8 and 16
(j) Warranty and customer service requirements	Not Applicable	Not Applicable
(k) Territorial development and sales quotas	§ 3 in FA	Item 12
(l) Ongoing product/service	§ 7 of FA	Item 8

purchases		
(m) Maintenance and appearance requirements	§ 7 of FA	Item 11
(n) Insurance	§ 9 of FA	Item 7
(o) Advertising/Marketing	§§ 5 and 8 of FA	Items 6, 7 and 11
(p) Indemnification	§13 of FA	Not Applicable
(q) Owner's participation / management /staffing	§7 of FA	Item 15
(r) Records/reports	§ 7 of FA	Item 6
(s) Inspections/audits	§§ 6 and 7 of FA	Item 11
(t) Transfer	§ 11 of FA	Item 17
(u) Renewal	§ 2 of FA	Item 17
(v) Post-termination obligations	§§ 14 and 15 of FA	Item 17
(w) Non-competition covenants	§ 16 of FA	Item 17
(x) Dispute resolution	§§ 17 and 22 of FA	Item 17

ITEM 10 FINANCING

We do not offer financing. We do not guarantee your note, lease or other obligations.

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Pre-Opening Assistance

Before commencing the BUSINESS, we will perform the following services:

1. SITE SELECTION

We expect you to operate your BUSINESS as a home-based or mobile business. As such, you will conduct classes in preschools, elementary schools and middle schools, birthday parties in the homes of the children having the birthday party or some other location designated by the parents of the birthday children, and camps in community centers, schools, churches or other locations. Under the terms of the Franchise Agreement, you must commence operation of your BUSINESS within three (3) months of the date that you sign the Franchise Agreement.

We will provide you a list of elementary and preschools in your territory.

In the event you are not operating your BUSINESS within three (3) months of the date that you signed the Franchise Agreement, we have the option to terminate the Franchise Agreement and refund all but \$18,000 of the franchise fee paid by you. (Franchise Agreement, Section 1(a).)

2. AFFECTING FACTORS

Factors that may affect the length of time, no later than three (3) months after signing of the Franchise Agreement and opening the BUSINESS include insurance, financing or permits, zoning and local ordinances.

3. MANUAL

We will provide you with one copy of the OPERATIONS MANUAL (63 pages) for the purpose of providing guidance in the methods, and techniques of operating your BUSINESS, on loan for the term of the Franchise Agreement, as more fully described in Section 5 of the Franchise Agreement. The Table of Contents of the OPERATIONS MANUAL can be found in Exhibit D of this Disclosure Document. We also will provide you a TEACHERS' MANUAL (114 pages) which provides guidance in the hiring, training and responsibilities of your teachers (if you hire any). (Franchise Agreement, Section 5(a).)

4. TRAINING

At least two (2) weeks before the opening of your BUSINESS, you must attend, and we will provide four (4) days of training for you and your initial staff (not to exceed four (4) individuals) at no cost. The training encompasses sales, marketing and business management, as well as the systems and procedures for operating the business and must be completed to our satisfaction by yourself and your staff (if any). The training will take place at our office located at 701 Market Street, Suite 113, St. Augustine, Florida 32095, or some other location that we specify. We expect that this training will take place before you open for business and you must complete the training program to our satisfaction. We will pay for the instruction and all training materials. You must pay for all travel and living expenses for yourself and your staff (if any) during training.

If we offer additional training programs, you are not required to attend.

We also will provide one day of on-site training, at no cost. If you request that we provide additional on-site training, and we are able to do so, then you must pay us \$800 per diem, which includes our travel expenses. (Franchise Agreement, Sections 5(c) and 7(g).)

Training Overview

Our Training Program is informative as well as being flexible to your needs. We acknowledge that you will bring your unique work experience and skill set to your BUSINESS. We conduct our Training Program once every month.

The Operations Manual, Teachers Training Manual and Operations Manual for the Franchise Management Tool (FMT) will be the instructional material used in the training.

The following Training Program schedule is subject to change:

(Column 1) Subject	(Column 2) Hours of Classroom	(Column 3) Hours of On-The-Job Training	(Column 4) Location
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	Training		
Financial Business Planning	2	0	St. Augustine, FL
Procedure for running classes, birthday parties, camps, and in-school field trips	6	0	St. Augustine, FL
How create your mini-website	1	0	St. Augustine, FL
Project Lessons/Model Building	3	0	St. Augustine, FL
Robotics	3	0	St. Augustine, FL
Stop-Motion Animation	3	0	St Augustine, FL
Questions & Answers/General Review	2	0	St. Augustine, FL
Sales & Marketing	3	8	St. Augustine and on site
Teacher Training	3	0	St. Augustine
View Bricks 4 Kidz® Class	1	0	Elementary Schools
Franchise Management Tool	4	0	St. Augustine, FL
TOTAL	31	8	

The following is a list of our instructors:

Michelle Cote – the founder of Bricks 4 Kidz®. Michelle has been operating her own Bricks 4 Kidz® BUSINESS for since 2008.

Dan O'Donnell – has 16 years' experience as a principal in a child-related franchise company.

Robyn Ewing- 10 years' experience in graphic arts and 7 years' experience in marketing.

Mary Gillespie- 17 years' experience in child development and 7 years' experience as an owner in a child related franchise.

5. INITIAL MARKETING PROGRAM

We will assist you in developing and conducting an initial marketing program. There are no pre-opening advertising requirements. (Franchise Agreement, Sections 5(h) and 8 (f).)

6. COMPANY WEBSITE

We will program our website www.brick4kidz.com to reflect your franchise site with all the functionality necessary to operate as described in the OPERATIONS MANUAL. You will be able to create and modify your own “mini website” within our website. (Franchise Agreement, Section 5(i)). Franchisee may not use any variation of the BRICKS 4 KIDZ® in any unauthorized websites or social media sites without the express written authorization from BFK FRANCHISE COMPANY, LLC.

7. FRANCHISE MANAGEMENT TOOL

We will provide you access to our proprietary, online Franchise Management Tool (“FMT”). You are required to maintain all bookkeeping and record keeping for the BUSINESS online using the FMT. Beginning in the first month of your operations, you will pay to our vendor (and developer of the FMT), a monthly support fee of \$75. Such fee may increase from time to time upon thirty (30) days’ notice, but will not exceed \$100 per month. You acknowledge that we will have access to your information stored on the FMT website. (Franchise Agreement, Section 5(j).) You may access the FMT from any computer whether purchased, leased, or public.

We are not obligated by the Franchise Agreement or any other agreement to provide any other supervision, assistance or services before the opening of the BUSINESS.

Post-Opening Obligations

We are required by the Franchise Agreement to provide certain assistance and service to you during the operation of your BUSINESS:

1. INSPECTIONS

We may conduct, as we deem advisable, periodic inspections of your BUSINESS, and may evaluate the services rendered by your BUSINESS. (Franchise Agreement, Section 5(j).)

2. ADDITIONAL TRAINING

We will make available additional training programs, as we deem appropriate. You are not required to attend the additional training programs. (Franchise Agreement, Sections 5(c) & (g).)

3. NEW DEVELOPMENTS

We may from time to time furnish you such business information and literature as we determine may be helpful in improving the operations of the BUSINESS. We will advise you of new developments and improvements in the franchise SYSTEM and to offer you, services, facilities, rights and privileges substantially similar to those generally offered to other franchisees in the SYSTEM. (Franchise Agreement, Section 5(c).)

4. MARKETING FUND

We will administer the Marketing Fund as described in Item 6 above, which states that for each Accounting Period during the term of the Franchise Agreement, you must pay a Marketing Fee of 2% of Gross Weekly Receipts of your BUSINESS following the opening of your BUSINESS. All Marketing Fees are paid to the Marketing Fund, and all contributions to and earnings from the Marketing Fund, will be used only to meet any and all costs of maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations and promotional programs and materials, and any other activities that we believe will enhance the image of the SYSTEM. This includes, among other things, the costs of preparing and conducting media advertising campaigns; direct mail marketing; marketing surveys and other public relations activities; and maintaining, updating and improving our Website.

The Marketing Fund shall not be used for our general operating expenses, but shall be used and expended for media costs, commissions, fees, production costs, and other costs of advertising which is published, broadcast, televised, mailed, displayed, or otherwise disseminated. You agree and acknowledge that the Marketing Fund is intended to maximize general public recognition, acceptance, and use of the SYSTEM; and that we or our designee are not obligated, in administering the Marketing Fund, to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Marketing Fund.

We will designate all programs that the Marketing Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Marketing Fund may pay for preparing and producing video, audio, and written materials and electronic media; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, radio and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Marketing Fund will advertise in printed materials or on radio or television for local, regional or national circulation, whatever we think best. We and/or a regional or national advertising agency will produce all advertising and marketing.

We may establish and receive input and feedback from an advisory council comprised of franchisee representatives. The advisory council, if we establish one, will be elected by our franchisees. The advisory council will serve in an advisory capacity only and will not have operational or decision-making power. We may alter the function and/or composition advisory councils at any time, and may otherwise, form, change or dissolve advisory councils.

We will account for the Marketing Fund separately from our other funds and not use Marketing Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the Marketing Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Marketing Fund contributions. We will provide to you on a quarterly basis, and upon written request, an accounting of the expenditures from the Marketing Fund. We will not use Marketing Fund contributions for advertising that principally is a solicitation for the sale of franchises. The Marketing Fund is not audited.

Although we will try to use the Marketing Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Bricks 4 Kidz® BUSINESSES, we need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to Marketing Fund contributions by any BUSINESS operating in that geographic area, or that any Bricks 4 Kidz® BUSINESS benefits directly or in proportion to its Marketing Fund contribution from the development or placement of advertising and marketing materials.

There was no use of the Marketing Fund in the last fiscal year.

Any surpluses remaining in the Marketing Fund will remain in the Marketing Fund for future use. (Franchise Agreement, Sections 5(f) and 8(b).)

The Marketing Fund is not and will not be our asset and we will maintain separate bookkeeping accounts for the Marketing Fund.

Other than the materials available from us, you may not use, display, publish, broadcast, or in any manner disseminate any advertising or promotional material unless the same has been first approved in writing by us.

If you want to use any advertisement in your BUSINESS that we have not yet evaluated or approved, you first must send us sufficient information, specifications, and samples so we can determine whether the advertisement complies with our SYSTEM standards. We will decide usually within thirty (30) days after receiving all information we require.

The restrictions on advertising apply to any information relating to us, you or your BUSINESS that you plan to use on a "Website" (defined as an interactive electronic document contained in a network of computers linked by communications software, including the Internet, World Wide Web and any similar successor technology), and to any changes to any website information that we previously approved. You may not maintain a website for your BUSINESS without our approval. At our option, you must discontinue any previously approved Website and/or sign any documents, submit any information and do any other things we reasonably require to participate in the Website we administer.

We do not require that you form or participate in any cooperative advertising arrangement. (Franchise Agreement, Sections 8(d) and (e).)

5. COMPUTER SYSTEM

If you operate camps and offer certain after-school programs (each of which would be for providing project-based lessons and model plans designed to teach principles and methods of engineering to children, ages 3-13+, using LEGO® bricks) that require a computer, you will be required to purchase a laptop computer (unless you already own one). The cost of a laptop can range from \$500-\$1,500. We do not require you to lease or purchase a cash register. We shall provide you access to our proprietary, online Franchise Management Tool ("FMT"). You are required to maintain all bookkeeping and record keeping for the BUSINESS online using the FMT. Other than the FMT, we do not require certain types and/or models of communications, computer systems, computer software, and hardware be used by Bricks 4 Kidz® BUSINESSES; however, for any optional maintenance, updating, upgrading, or support, such items may be purchased by you, and we cannot anticipate the cost. (Franchise Agreement, Section 7(m).)

ITEM 12 TERRITORY

The Franchise Agreement grants you the right to operate one BUSINESS only within the protected territory ("**Protected Territory**" or "**Territory**") as defined in the Franchise Agreement (Appendix A). The Protected Territory is a specific, mutually-agreed upon marketing area containing a population of at least 50,000 people. In designating the Territory we take into account the demographics of the Territory, as well as the number of public and private elementary and middle schools (at least 15 elementary and 3 middle schools in aggregate), and the number of preschools. Your Territory will be designated by one or more zip codes.

During the term of the Franchise Agreement, we will not establish or operate, nor license any other person or entity to establish or operate a BUSINESS within the Protected Territory. Once your Territory is identified we have no right to modify your Territory except with your written agreement.

We retain the rights, among others, on any terms and conditions we deem advisable, and without granting you any rights, to establish and operate, and license others to establish and operate, a BUSINESS outside the Protected Territory which may provide services and or sell products to customers located within the Protected Territory.

You do not have the right to provide services through alternative channels of distribution, without prior written permission from us. We use alternative channels of distribution for our services and service marks and we may expand our sale of services on a local, regional, national or international basis. We have the absolute right to provide (or license others to provide) services identified by our service marks (or by any other name or service mark) anywhere and in any form, regardless of the proximity to your Protected Territory, through any distribution methods or channels; provided, however, we will not provide services under the Bricks 4 Kidz® service mark within your Protected Territory, so long as you are not in default under the terms of your Franchise Agreement, and we shall refer to you requests for such services to be provided within the Protected Territory. We reserve the absolute right to distribute goods or services through the use of the Internet or other electronic communications, telephone, mail or similar methods, regardless of the destination of the products or services. We retain the sole right to use our service marks on the Internet, including in connection with Web sites, domain names, directory addresses, metatags, as graphic images on web pages, linking, advertising, co-branding, and other arrangements. You may not maintain a Web site, without prior written permission from us. If we do ever approve of a Web site that you promote and develop, we have the right to condition our approval on the terms that we determine are necessary, such as requiring that your domain name and home page belong to us and be licensed to you for your use during the term of your Franchise Agreement.

You are not restricted from providing services to customers who reside outside your Protected Territory and who enter your territory for classes, camps birthday parties, etc. You may not provide services to customers who reside outside your Protected Territory if you must travel outside your Protected Territory to provide such services, without prior written permission from us.

You are not restricted from accepting orders from customers, whether or not they reside in the Protected Territory, so long as the services are provided in the Protected Territory. You may not

solicit customers by direct marketing if they reside outside of your Protected Territory, without prior written permission from us. You may not provide services to customer who reside outside your Protected Territory if you must travel outside your Protected Territory to provide such services, without prior written permission from us.

Your Protected Territory relates solely to operation of the franchise, and does not depend upon your achievement of any particular sales volume, market penetration, or other contingency.

We retain the rights, among others, on any terms and conditions we deem advisable, and without granting you any rights, to establish and operate, and license others to establish and operate BUSINESSES, outside the Protected Territory.

You will continue to have territorial protection as described above unless (i) you are in default of the Franchise Agreement and we terminate you under Section 12 of the Franchise Agreement; or (ii) you have not signed a Franchise Renewal Agreement (in which case protection of your territory will cease upon the expiration date of your Franchise Agreement). There are no other circumstances under which we may alter your territorial rights. We do not offer the right of first refusal on contiguous territories.

You do not have the right to acquire additional franchises within your territory without our permission or have the right of first refusal to acquire contiguous territories.

ITEM 13 TRADEMARKS

The Franchise Agreement requires and grants you the right to operate your BUSINESS under the mark Bricks 4 Kidz® and under any other proprietary marks (the “Marks” or “Proprietary Marks”) that we may use in the future in the operation of the SYSTEM. You must follow our rules when you use the Proprietary Marks. You may only use the Marks exactly as we specify. You may not use any of the Marks in connection with the offer or sale of any unauthorized product or service.

We own the right to use the name and service mark “Bricks 4 Kidz®,” and have filed all required affidavits.

In addition to our common law rights to the Marks, we have secured a federal registration with the United States Patent and Trademark Office (“USPTO”) as follows:

Service mark	Registration Number	Registration Date	Register
Bricks 4 Kidz	3726912	December 15, 2009	Supplemental

Additionally, on September 1, 2012, we filed with the United States Patent and Trademark Office an application for a bona fide intention to use the service mark “Bricks 4 Biz,” under Section 1(b) of the Trademark Act, 15 U.S.C. §1051(b). Such filing was given serial number 858916. We intend to continue to prosecute this filing for registration on the United States Patent and Trademark Office’s Principal Register.

You will be permitted to use the mark Bricks 4 Kidz® as a business name only in conjunction with a geographic location. You may not use them as part of your corporate name. You must use them in conjunction with the symbol “®” as applicable and you may not use them in connection with the offer or sale of any unauthorized products or in any other manner that we do not explicitly authorize in writing. We reserve the right to approve all signs, stationery, business cards, forms, and other materials and supplies bearing the Proprietary Marks that are not part of the standard marketing package. You must use the Proprietary Marks, including trade dress, color combinations, designs, symbols, and slogans, only in the manner and to the extent specifically permitted by the Franchise Agreement, or by our prior written consent. All advertising, publicity, signs, decorations, furnishings, equipment or other materials employing in any way the words Bricks 4 Kidz® or any derivative thereof or any other Proprietary Mark must be submitted to us and approved prior to first publication or use. We will not unreasonably withhold our approval.

There are no currently effective determinations of the USPTO, the trademark administrator of any state, or any court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks which may be relevant to its use in any state.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state. There is no agreement currently in effect which significantly limits our right to use or license the use of our Proprietary Mark in a manner material to the franchise. There are no currently effective determinations of the USPTO, nor any pending material litigation involving the Proprietary Marks. There are no agreements currently in effect which significantly limit our right to use or license the use of the Proprietary Marks in any manner material to the franchise.

Any and all goodwill associated with the Proprietary Marks, including any goodwill which may have arisen through your use of them, benefits us exclusively. You must sign any necessary papers, documents and assurances and fully cooperate with us or any other SYSTEM franchisee in securing all necessary and required consents of any state center or legal authority to use or register the Proprietary Marks. You must promptly notify us of any infringement of, or challenge to, any Proprietary Mark, and we will, in our discretion, take such action as we deem appropriate. We are not obligated to defend your right to use the Proprietary Marks or against claims of infringement or unfair competition arising out of your use of them, but we will indemnify and hold you harmless from any suits, proceedings, demands, obligations, actions or claims, including costs and reasonable attorneys' fees, for any alleged infringement under federal or state trademark law arising solely from your use of the Proprietary Marks in accordance with the Franchise Agreement or as we otherwise direct in writing if you have promptly notified us of such claim. If we undertake the defense or prosecution of any litigation pertaining to the Proprietary Marks, you must sign any documents and do acts and things as may, in our attorneys' opinion, be necessary to carry the defense or prosecution. You must discontinue, modify or substitute any of the Proprietary Marks upon demand if we should determine, in our sole discretion, that such action is necessary to protect us, the SYSTEM or the Proprietary Marks as a result of pending or threatened litigation involving your use of the Proprietary Marks so long as we indemnify you for your actual out of pocket costs incurred to effectuate such change.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

To date, we have not registered copyrights with the U.S. Copyright Office as to written and web-based materials or other materials that are critical to the SYSTEM, but we claim copyright protection for many aspects of the SYSTEM including any and all manuals, website design and functionality, advertising and promotional material, and training materials and programs.

To date, we have not registered any patents, nor do we have any rights in, or licenses to, any patents that are material to the BUSINESS.

The Franchise Agreement provides that the trade secrets, confidential information and know-how, sales techniques, lists of suppliers, and other valuable information regarding the SYSTEM (collectively, the “**Proprietary Information**”) is proprietary to us and will not be communicated to any other individual or entity by you.

You may use the Proprietary Information only for the purposes and in the manner we authorize in writing. Our trade secrets and proprietary information includes, but is not limited to, sales techniques, display techniques, advertising formats, accounting systems, operations systems, website design and functionality, warranties, policies, procedures, systems, compilations of information, records, specifications, customer relations, advertising, purchasing and other confidential information which we have developed for use in the operation of the franchised business. You may not contest our ownership of our trade secrets, methods or procedures or contest our right to register, use or license others to use any of such trade secrets, methods and procedures. You and your heirs, successors and assigns (including your partners, officers, directors, shareholders, and their respective heirs, successors and assigns) and your employees and their respective heirs, successors and assigns, may not use or disclose any Proprietary Information in any manner other than as we permit in writing.

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

You (if you are an individual, or one or more of your principals or partners if you are a corporation or partnership) must personally supervise the day-to-day operations of the BUSINESS. If you do not personally supervise day-to-day operations, you must designate a full-time manager (“**Designated Manager**”) to engage in such supervision. Your Designated Manager, including each subsequently appointed Designated Manager, must have successfully completed our initial training program before assuming managerial responsibility, and will be responsible for training your employees. We do not place any other restrictions on whom you may hire as your Designated Manager, and your Designated Manager need not own any equity interest in the BUSINESS, but you must inform us as to the identity of your Designated Manager. Your Designated Manager must devote his or her personal full-time attention and best efforts to the management and operation of the BUSINESS and must agree, prior to assuming management responsibility, to maintain the confidentiality of our Proprietary Information.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only offer Bricks 4 Kidz® services under the Bricks 4 Kidz® mark in the Protected Territory and only those that are authorized by us and conform to our standards and specifications (which are described in Items 1 and 8 above). We have the right, without limit, to modify and/or enhance the types of authorized programs that we offer.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP		
Provision	Section in Franchise Agreement	Summary
(a) Length of the franchise term	2	Ten (10) years
(b) Renewal or extension of the term of the franchise.	2	If in good standing, you may renew for an additional term of ten (10) years.
(c) Requirements for franchisee to renew or extend	2	You have the right to renew the term of your BUSINESS for an additional ten (10)-year period, provided you (i) provide us at least 180 days' notice prior to the end of the initial term, (ii) not be in default under the Franchise Agreement, (iii) pay a renewal fee of \$5,000 at least thirty (30) days prior to the expiration of the initial term, and (iv) sign the then-current form of Franchise Agreement, which we do not anticipate will contain materially different terms and conditions from the original Franchise Agreement.
(d) Termination by franchisee	Not Applicable	Only by non-renewal of Franchise Agreement
(e) Termination by franchisor without cause	Not Applicable	
(f) Termination by franchisor with cause	14	Default under Franchise Agreement, bankruptcy, abandonment, and other grounds
(g) "Cause" defined – curable defaults	14 (a) (ii)	You will have ten (10) days to cure default of any clause in the Agreement except those defaults described in Franchise Agreement.
(h) "Cause" defined. – non-curable defaults.	14	Bankruptcy, voluntary abandonment, conviction of felony, and others.
(i) Franchisee obligations on termination/non-renewal	15	In the event of termination or non-renewal of the Agreement, you will discontinue the use of any and all of our names and marks, and discontinue the use of all of our confidential information, designs, advertising, telephone numbers, associated with the operation of the BUSINESS.
(j) Assignment of contract by franchisor	Not Applicable	

(k) "Transfer" by franchisee - defined	11	You have the right to sell, or assign your Franchise if: buyer or assignee signs the then current Franchise Agreement and attends our Training Program and submits then current Training Fee.
(l) Franchisor approval of transfer by franchisee	11	We have the right to approve transfers.
(m) Conditions for franchisor approval of transfer	11	Includes payment of money owed, non-default, transferee signs a new Franchise Agreement, and payment of transfer fee.
(n) Franchisor's right of first refusal to acquire franchisee's business	11	We can match any offer.
(o) Franchisor's option to purchase franchisee's business.	Not Applicable	
(p) Death or disability of franchisee	11	Interest in BUSINESS will be transferred to a third party approved by us.
(q) Non-competition covenants during the term of the franchise.	17	You agree that while a franchisee, you will not engage in any competitive business.
(r) Non-competition covenants after the franchise is terminated or expires	16	Includes two (2) year prohibition within the Protected Territory or within 25 miles of Protected Territory or Protected Territory of any other franchisee.
(s) Modification of the Agreement.	23	There are no representations, oral or written, expressed or implied, except those contained in the Franchise Agreement. Any change to the Franchise Agreement may only be by a written addendum which is signed by all parties.
(t) Integration/merger clauses	23	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable.
(u) Dispute resolution by Arbitration or Mediation	17	The parties to the Agreement to arbitration in accordance with the rules of the American Arbitration Association.
(v) Choice of forum	22	Subject to state law, arbitration must take place in the State of Florida. Any claims, controversies or disputes that are not subject to arbitration, are to be brought in the Federal District Court in Duval County, Florida, or in any court of general jurisdiction in St. Johns County, Florida.
(w) Choice of law	22	Subject to state law, the State of Florida.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

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 our management by contacting Brian Pappas, 701 Market Street, Suite 113, St. Augustine, Florida 32095, (904) 825-0873, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No.1

Systemwide Outlet Summary For years 2012 to 2014

(Column 1) Outlet Type	(Column 2) Year	(Column 3) Outlets at the Start of the Year	(Column 4) Outlets at the End of the Year	(Column 5) Net Change
Franchised	2012	105	237	132
	2013	237	435	207
	2014	435	615	180
Company-owned	2012	1	1	0
	2013	1	1	1
	2014	0	5	5
Total Outlets	2012	106	238	132
	2013	228	436	208
	2014	436	620	185

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than us)
For years 2012 to 2014

State	Year	Number of Transfers
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Total	2012	4
	2013	5
	2014	24

Table No. 3
Status of Franchised Outlets
For Years 2012 to 2014

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Us	Ceased Operations Other Reasons	Outlets at End of Year
Alabama	2012	2	1	0	0	0	0	3
	2013	3	4	0	0	0	0	7
	2014	7	2	0	0	0	0	9
Alaska	2012	0	0	0	0	1	0	0
	2013	0	3	0	0	0	0	3
	2014	3	0	0	0	1	0	24
Arizona	2012	4	0	0	0	0	0	4
	2013	4	1	0	0	0	0	5
	2014	5	0	0	0	0	0	5
Arkansas	2012	0	0	0	0	0	0	0
	2013	0	2	0	0	0	0	2
	2014	2	0	0	0	0	0	2
California	2012	12	12	0	0	0	0	24
	2013	24	13	0	0	0	0	37
	2014	37	28	1	0	1	0	66
Colorado	2012	5	0	0	0	0	0	5
	2013	5	4	0	0	0	0	9
	2014	9	6	0	0	0	0	16
Connecticut	2012	0	1	0	0	0	0	1
	2013	1	2	0	0	0	0	3
	2014	3	1	0	0	0	0	4
Delaware	2012	0	2	0	0	0	0	2
	2013	2	2	0	0	0	0	4
	2014	4	0	0	0	2	0	2
District of Columbia	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
Florida	2012	8	11	0	0	0	0	19
	2013	19	15	2	0	0	0	32
	2014	32	0	2	0	0	0	30
Georgia	2012	9	0	0	0	0	0	9
	2013	9	7	1	0	0	0	15
	2014	15	2	0	0	0	0	17
Hawaii	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
	2014	1	2	0	0	0	0	3
Illinois	2012	0	0	0	0	0	0	0
	2013	0	14	0	0	0	0	14
	2014	14	2	0	0	0	0	16
Indiana	2012	0	0	0	0	0	0	0
	2013	0	6	0	0	0	0	6
	2014	6	4	0	0	0	0	10
Iowa	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
Kansas	2012	0	1	0	0	0	0	1
	2013	1	0	0	0	0	0	1
	2014	1	3	0	0	0	0	4
Kentucky	2012	1	1	0	0	0	0	2
	2013	2	1	0	0	0	0	3
	2014	3	0	0	0	0	0	3

Louisiana	2012	0	8	0	0	0	0	8
	2013	8	4	2	0	0	0	10
	2014	10	1	0	0	0	0	11
Maryland	2012	0	2	0	0	0	0	2
	2013	2	5	0	0	0	0	7
	2014	7	4	0	0	0	0	11
Massachusetts	2012	0	5	0	0	0	0	5
	2013	5	2	0	0	0	0	7
	2014	7	4	0	0	0	0	11
Michigan	2012	2	0	0	0	0	0	2
	2013	2	3	0	0	0	0	5
	2014	5	8	0	0	0	0	13
Minnesota	2012	0	0	0	0	0	0	0
	2013	0	3	0	0	0	0	3
	2014	3	0	2	0	0	0	1
Mississippi	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	1
	2014	1	2	0	0	0	0	2
Missouri	2012	1	3	0	0	0	0	4
	2013	4	2	0	0	0	0	6
	2014	6	2	0	0	1	0	7
Montana	2012	0	1	0	0	0	0	1
	2013	1	0	1	0	0	0	0
	2014	0	0	0	0	0	0	0
Nebraska	2012	2	0	0	0	0	0	2
	2013	2	0	1	0	0	0	1
	2014	1	0	0	0	0	0	1
Nevada	2012	1	2	0	0	0	0	3
	2013	3	1	2	0	0	0	2
	2014	2	3	0	0	1	0	4
New Hampshire	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
New Jersey	2012	5	6	0	0	0	0	11
	2013	11	10	1	0	0	0	20
	2014	20	9	1	0	0	0	28
New Mexico	2012	1	1	0	0	0	0	2
	2013	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
New York	2012	3	8	0	0	0	0	11
	2013	11	7	0	0	0	0	18
	2014	18	11	0	0	0	0	29
North Carolina	2012	3	4	0	0	0	0	7
	2013	7	8	0	0	0	0	15
	2014	15	2	1	0	1	0	15
Ohio	2012	5	0	0	0	0	0	5
	2013	5	2	0	0	0	0	7
	2014	7	4	1	0	0	0	10
Oklahoma	2012	0	2	0	0	0	0	2
	2013	2	2	0	0	0	0	4
	2014	4	0	0	0	0	0	4
Oregon	2012	2	1	0	0	0	0	3
	2013	3	1	0	0	0	0	4
	2014	4	1	1	0	0	0	4
Pennsylvania	2012	5	7	0	0	0	0	12
	2013	12	3	0	0	0	0	15
	2014	15	2	0	0	0	0	18
South Carolina	2012	3	5	0	0	0	0	8
	2013	8	3	0	0	0	0	11
	2014	11	0	0	0	0	0	11
Tennessee	2012	1	0	0	0	0	0	1
	2013	1	10	0	0	0	0	11
	2014	11	2	0	0	0	0	13
Texas	2012	3	14	1	0	0	0	16
	2013	16	16	0	0	0	0	32
	2014	32	20	2	0	2	0	52

Utah	2012	2	3	0	0	0	0	5
	2013	5	0	0	0	0	0	5
	2014	5	0	1	0	0	0	4
Virginia	2012	0	4	0	0	0	0	4
	2013	4	7	0	0	0	0	11
	2014	11	2	2	0	0	0	13
Washington	2012	2	5	0	0	0	0	7
	2013	7	7	0	0	0	0	14
	2014	14	2	0	0	0	0	16
Wisconsin	2012	1	2	0	0	0	0	3
	2013	3	2	0	0	0	0	5
	2014	5	4	0	0	0	0	9
Australia	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
	2014	0	10	0	0	0	0	10
Austria	2012	0	1	0	0	0	0	1
	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
Bahrain	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
Bolivia	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
Botswana	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1
	2014	1	0	0	0	0	0	1
Brunei	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
Canada	2012	12	14	0	0	0	0	26
	2013	26	14	0	0	1	0	39
	2014	39	22	0	0	0	0	61
Chile	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
China	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
	2014	1	0	0	0	0	0	1
Colombia	2012	0	1	0	0	0	0	1
	2013	1	1	0	0	0	0	2
	2014	2	1	0	0	0	0	3
Cyprus	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
Czech Republic	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1
	2014	1	0	0	0	0	0	1
Egypt	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1
	2014	1	0	0	0	0	0	1
Honduras	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
	2014	0	2	0	0	0	0	2
Hong Kong	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
Indonesia	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1
	2014	1	0	0	0	0	0	1
Ireland	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
Kuwait	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1

Lebanon	2012	0	1	0	0	0	0	1
	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
Malaysia	2012	0	0	0	0	0	0	0
	2013	0	4	0	0	0	0	4
	2014	4	1	0	0	0	0	5
Mexico	2012	0	1	0	0	0	0	1
	2013	1	0	0	0	0	0	1
	2014	1	3	0	0	0	0	4
New Zealand	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
Nigeria	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1
	2014	1	0	0	0	0	0	1
Panama	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
Poland	2012	0	1	0	0	0	0	1
	2013	1	0	0	0	0	0	1
	2014	1	1	0	0	0	0	2
Puerto Rico	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
	2014	1	1	0	0	0	0	2
Qatar	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1
	2014	1	0	0	0	0	0	1
Romania	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1
	2014	1	0	0	0	0	0	1
Singapore	2012	0	1	0	0	0	0	1
	2013	1	3	0	0	0	0	4
	2014	4	0	1	0	0	0	3
Spain	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
Switzerland	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
	2014	0	1	0	0	0	0	1
Thailand	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1
	2014	1	1	0	0	0	0	2
United Arab Emirates	2012	0	1	0	0	0	0	1
	2013	1	1	0	0	0	0	2
	2014	2	1	0	0	0	0	3
United Kingdom	2012	0	0	0	0	0	0	0
	2013	0	3	0	0	0	0	3
	2014	3	5	0	0	0	0	8
Totals	2012	105	133	1	0	0	0	237
	2013	237	207	10	0	1	0	435
	2014	435	190	15	0	5	0	615

Table No. 4
Status of Company-Owned Outlets
For Years 2012 to 2014

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Alaska	2012	0	0	0	0	0	0
	2013	0	0	0	0	0	0
	2014	0	0	1	0	0	1
California	2012	0	0	0	0	0	0
	2013	0	0	0	0	0	0
	2014	0	0	1	0	0	1

Florida	2012	1	1	0	0	0	2
	2013	2	0	0	1	0	1
	2014	1	0	0	1	0	1
Nevada	2012	1	0	0	0	1	0
	2013	0	0	1	0	1	0
	2014	0	0	0	0	0	0
Texas	2012	0	0	0	0	0	0
	2013	0	0	0	0	0	0
	2014	0	0	2	0	0	2
Totals	2012	1	1	0	0	1	1
	2013	1	0	1	0	1	1
	2014	0	0	0	0	0	5

Table No. 5
Projected Openings as of December 31, 2014

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In The Next Fiscal Year
Alabama	0	1	0
Alaska	0	1	0
Arizona	0	1	0
Arkansas	0	1	0
California	1	5	0
Colorado	0	2	0
Connecticut	0	2	0
Delaware	0	1	0
District of Columbia	0	0	0
Florida	0	3	0
Georgia	0	2	0
Hawaii	0	1	0
Indiana	0	1	0
Iowa	0	1	0
Illinois	0	2	0
International	0	10	0
Kansas	0	1	0
Kentucky	1	1	0
Louisiana	0	1	0
Maryland	0	2	0
Massachusetts	0	2	0
Michigan	0	1	0

Missouri	0	2	0
Montana	0	1	0
Nebraska	0	1	0
Nevada	0	2	0
New Jersey	0	3	0
New Mexico	0	1	0
New York	0	5	0
North Carolina	0	2	0
Ohio	0	2	0
Oklahoma	0	1	0
Oregon	0	1	0
Pennsylvania	0	2	0
Puerto Rico	0	1	0
South Carolina	0	1	0
Tennessee	0	2	0
Texas	0	3	0
Utah	0	1	0
Virginia	0	2	0
Washington	0	3	0
Wisconsin	0	1	0
TOTAL	2	81	0

Exhibit C contains a list of our franchisees.

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

To date, we have not signed confidentially clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us. We do not have a franchisee association or advisory council.

ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as composite Exhibit A are our (i) audited, fiscal year end financials for 2011, 2012, and 2013, and (ii) Interim Un-Audited Financial Statements for the nine-month period ending June 30, 2014.

ITEM 22 CONTRACTS

The following agreements are attached to this Disclosure Document in the pages immediately following:

Exhibit B – Franchise Agreement

- Appendix A – Approved and Protected Territory
- Appendix B – Guarantee, Indemnification, and Acknowledgement
- Appendix C – Direct Debit Authorization
- Appendix D – No Promises Acknowledgement
- Appendix E – Hosted Software License Agreement
- Addendum -- Bricks 4 Biz™ Services

Exhibit G – State Specific Disclosures and State Specific Addenda to Agreements

Exhibit H – Disclosure Document Receipt (last page of Disclosure Document)

ITEM 23 RECEIPT

Exhibit H to this Disclosure Document contains two (2) receipt pages by which you acknowledge your receipt of this Disclosure Document. One of the copies is for your records. The other one must be signed, dated and returned to us at BFK Franchise Company LLC, 701 Market Street, Suite 113, St. Augustine, Florida 32095.

EXHIBIT A
FINANCIAL STATEMENTS

[Exhibit begins on next page.]

BFK Franchise Company LLC

**Financial Statements for the Twelve Months Ended
September 30, 2014, 2013 and 2012**

BFK FRANCHISE COMPANY LLC
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Independent Auditors' Report

Managing Member
BFK Franchise Company, LLC

Report on the Financial Statements

We have audited the accompanying financial statements of BFK Franchise Company, LLC, which comprise the balance sheet as of September 30, 2014, and the related statements of income, members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BFK Franchise Company, LLC as of September 30, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


HARTLEY MOORE ACCOUNTANCY CORPORATION

Irvine, California
February 18, 2015

Silberstein Ungar, PLLC CPAs and Business Advisors

Phone (248) 203-0080

Fax (248) 281-0940

30600 Telegraph Road, Suite 2175

Bingham Farms, MI 48025-4586

www.sucpas.com

To the Board of Directors
BFK Franchise Company, LLC

We have audited the accompanying balance sheet of BFK Franchise Company, LLC as of September 30, 2013, and the related statement of operations and member's equity (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BFK Franchise Company, LLC as of September 30, 2013, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


Silberstein Ungar, PLLC

Bingham Farms, Michigan
January 29, 2014

INDEPENDENT AUDITORS' REPORT

December 19, 2012

To the Members
BFK Franchise Company LLC

We have audited the accompanying balance sheet of BFK Franchise Company LLC (an "S" Corporation) as of September 30, 2012 and 2011, and the related statements of operations, members' equity (deficit), and cash flows for the periods then ended. These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BFK Franchise Company LLC as of September 30, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Borgers + Cutler CPA's PLLC

Borgers & Cutler CPA's PLLC
Certified Public Accountants
Denver, CO

BFK FRANCHISE COMPANY LLC
Balance Sheets

	September 30,		
	2014	2013	2012
Assets			
Current Assets:			
Cash	\$ 2,995,089	\$ 1,968,429	\$ 886,243
Restricted cash	176,855	—	—
Accounts receivable, less allowance for doubtful accounts of \$41,000, \$10,000 and \$12,000, respectively	295,280	247,708	195,493
Prepaid expenses	3,350	—	26,334
Other receivables - current portion	67,714	69,779	88,571
Total Current Assets	<u>3,538,288</u>	<u>2,285,916</u>	<u>1,196,641</u>
Note receivable from related party (Note 2 and 5)	70,000	70,000	14,442
Other receivables - net of current portion (Note 5)	31,871	11,278	—
Property and equipment, net of accumulated depreciation of \$72,662, \$43,922 and \$23,922, respectively (Note 3)	132,432	116,723	105,904
Intangible assets (Note 4)	77,204	46,720	—
Deposits	6,425	5,000	7,619
Total Assets	<u>\$ 3,856,220</u>	<u>\$ 2,535,637</u>	<u>\$ 1,324,606</u>
Liabilities and Member's Equity			
Current Liabilities:			
Accounts payable:			
Related party (Note 2)	\$ —	\$ 5,690	\$ 16,771
Other	323,497	124,197	160,472
Payroll accruals	—	12,725	9,025
Unearned revenue	—	35,900	—
Accrued stock based compensation	98,400	—	—
Accrued Marketing Fund	176,855	100,754	90,155
Customer Deposits	96,737	120,001	47,500
Notes payable: Related parties (Note 7)	—	20,000	—
Legal settlement (Note 9)	55,000	—	—
Total Current Liabilities	<u>750,489</u>	<u>419,267</u>	<u>363,923</u>
Member's Equity:			
BFK Franchise Company LLC member's equity:			
Member's capital	3,105,731	2,116,370	960,683
Total Member's Equity	<u>3,105,731</u>	<u>2,116,370</u>	<u>960,683</u>
Total Liabilities and Member's Equity	<u>\$ 3,856,220</u>	<u>\$ 2,535,637</u>	<u>\$ 1,324,606</u>

The Accompanying notes are an integral part of the financial statements

BFK FRANCHISE COMPANY LLC
Statements of Income

	For The Years ended September 30,		
	2014	2013	2012
Revenues:			
Initial franchise fees	\$ 5,529,118	\$ 3,529,721	\$ 2,785,866
Royalties	1,814,490	993,619	479,860
Corporate creativity center sales	65,047	48,146	7,758
	<u>7,408,655</u>	<u>4,571,486</u>	<u>3,273,484</u>
Operating expenses:			
Franchise consulting and commissions:			
Related parties (Note 2)	471,891	746,226	623,617
Other	1,654,024	816,959	659,161
Franchise training and expenses:			
Related parties (Note 2)	—	—	12,400
Other	461,144	245,797	123,752
Salaries and payroll taxes	1,134,332	453,955	236,850
Advertising	789,617	398,989	306,763
Professional fees	191,313	—	—
Bad debt expense	50,831	11,036	57,988
Office expenses	284,881	—	—
Depreciation	28,740	20,184	13,577
Other general and administrative expenses	427,202	519,387	430,773
Total operating expenses	<u>5,493,975</u>	<u>3,212,533</u>	<u>2,464,881</u>
Income from operations	1,914,680	1,358,953	808,603
Other income (expense):			
Gain on sale of intangible assets	18,335	—	—
Interest expense, net	—	(4,181)	—
Other income	58,383	(12,954)	10,684
Total other income (expense), net	<u>76,718</u>	<u>(17,135)</u>	<u>10,684</u>
Net income	<u>\$ 1,991,398</u>	<u>\$ 1,341,818</u>	<u>\$ 819,287</u>

The accompanying notes are an integral part of the financial statements

BFK FRANCHISE COMPANY LLC
Statement of Members' Equity

Balance, October 1, 2011	\$ <u>276,165</u>
Payment of operating expenses on behalf of BFKF Development	(40,646)
Payment of operating expenses on behalf of Creative Learning Corporation	(94,123)
Net income for the year ended September 30, 2012	<u>819,287</u>
Balance, September 30, 2012	960,683
Distributions to member	(186,131)
Net income for the year ended September 30, 2013	<u>1,341,818</u>
Balance, September 30, 2013	2,116,370
Distributions to member	(1,058,667)
Stock based compensation from parent level	56,630
Net income for the year ended September 30, 2014	<u>1,991,398</u>
Balance, September 30, 2014	<u><u>\$ 3,105,731</u></u>

The accompanying notes are an integral part of the financial statements

BFK FRANCHISE COMPANY LLC
Statements of Cash Flows

	For The Years ended September 30,		
	2014	2013	2012
Cash flows from operating activities:			
Net income	\$ 1,991,398	\$ 1,341,818	\$ 819,287
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation	28,740	20,184	13,577
Bad debt expense	31,000	—	—
Gain on sale of intangible assets	(18,335)	—	—
Write-off of material purchase with legal settlement	26,300	—	—
Stock based compensation	56,630	—	—
Changes in operating assets and liabilities:			
Restricted cash	(176,855)	—	—
Accounts receivable	(78,572)	(52,214)	(106,488)
Prepaid expenses	(3,350)	26,334	(26,334)
Other receivables	6,372	21,956	(103,013)
Accounts payable	—	(47,356)	123,416
Deposits	(1,425)	2,619	—
Accounts payable - related parties	(5,690)	—	—
Accounts payable - third parties	194,526	—	—
Payroll	(12,725)	—	—
Unearned revenue	(35,900)	35,900	—
Accrued liabilities	98,400	3,700	8,395
Accrued marketing fund	76,101	10,599	90,155
Customer deposits	(23,264)	72,501	47,500
Net cash provided by operating activities	2,153,351	1,436,041	866,495
Cash flows from investing activities:			
Acquisition of property and equipment	(38,449)	(31,004)	(69,332)
Acquisition of intangible assets	(10,000)	(46,720)	—
Cash proceeds for sale of intangible assets	40,425	—	—
Loan distributed to a related party in exchange for a promissory note	—	(70,000)	10,000
Net cash used in investing activities	(8,024)	(147,724)	(59,332)
Cash flows from financing activities:			
Repayment of notes payable	(20,000)	—	—
Payment of legal settlement	(40,000)	—	—
Proceeds from issuance of notes payable	—	(20,000)	40,000
Distributions to member	(1,058,667)	(186,131)	(134,768)
Net cash used in financing activities	(1,118,667)	(206,131)	(94,768)
Net change in cash	1,026,660	1,082,186	712,395
Cash, beginning of period	1,968,429	886,243	173,848
Cash, end of period	\$ 2,995,089	\$ 1,968,429	\$ 886,243
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Interest	\$ 300	\$ 4,181	\$ —
Non-cash investing and financing activities:			
Reclassification of prepaid expenses	\$ —	\$ 15,618	\$ —
Intangible asset acquired in legal settlement	\$ 62,700	\$ —	\$ —
Intangible asset acquired by assumption of accts. pay.	\$ 4,774	\$ —	\$ —
Intangible asset sold with notes receivable	\$ 24,900	\$ —	\$ —
Equipment acquired in legal settlement	\$ 6,000	\$ —	\$ —
Material acquired in legal settlement	\$ 26,300	\$ —	\$ —

The accompanying notes are an integral part of the financial statements

BFK FRANCHISE COMPANY LLC
Notes to Financial Statements

(1) Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

BFK Franchise Company LLC (the "Company" or "BFKF") was formed in the State of Nevada on May 19, 2009 with an unlimited term. The Company, primarily through franchises, offers educational programs designed to teach principles of engineering, architecture and physics to children using Lego ® bricks. The Company may also engage in any other business that is permitted by law, as designated by the member of the Company.

The Company member is owned 100% by Creative Learning Corporation.

Fiscal Year

The Company operates on a September 30 fiscal year-end.

Basis of Presentation

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the Company's financial statements. The financial statements and notes are representation of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

The Company uses the accrual basis of accounting and is presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company believes that the disclosures made are adequate to make the information presented not misleading. The information reflects all adjustments that, in the opinion of management, are necessary for a fair presentation of the financial position and results of operations for the periods set forth herein.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles permits management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant estimates and assumptions made by management include allowance for doubtful accounts, depreciation of property and equipment, amortization of intangible assets, and for value of stock based compensation. Actual results could differ from those estimates.

Related Parties

A party is considered to be related to the Company if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. A party which can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests is also a related party.

Cash and Cash Equivalents

The Company considers all highly liquid securities with original maturities of three months or less when acquired, to be cash equivalents. We had no cash equivalents at September 30, 2014 and 2013. The Company had cash of \$2,995,089, \$1,968,429, and \$886,243, as of September 30, 2014, 2013, and 2012, respectively.

Per the franchise agreements, a restricted marketing fund of 2% of revenues is collected and held for promotion of the brand. At September 30, 2014, 2013, and 2012, the Company had restricted cash of \$176,855, \$-0-, and \$-0-, respectively. (see note 6)

The Company has one operating account with Wells Fargo that exceeds the \$250,000 FDIC limit by approximately \$2,748,000. The Company is confident the asset is secure based upon our history with and the stability of the institution.

Accounts Receivable

The Company reviews accounts receivable periodically for collectability and establishes an allowance for doubtful accounts and records bad debt expense when deemed necessary. The Company records an allowance for doubtful accounts that is based on historical trends, customer knowledge, any known disputes, and the aging of the accounts receivable balances combined with management's estimate of future potential recoverability. Receivables are written off against the allowance after all attempts to collect a receivable have failed. The Company believes its allowance for doubtful accounts as of September 30, 2014, 2013, and 2012 are adequate, but actual write-offs could exceed the recorded allowance. At September 30, 2014, 2013, and 2012, the Company's allowance for doubtful accounts totaled \$41,000, \$10,000, and \$12,000, respectively.

Property, Equipment and Depreciation

Property and equipment are stated at cost. Depreciation and amortization is calculated using the straight-line method over the estimated useful lives of the related assets, currently set at

five years. Expenditures for additions and improvements are capitalized, while repairs and maintenance costs are expensed as incurred. The cost and related accumulated depreciation and amortization of property and equipment sold or otherwise disposed of are removed from the accounts and any gain or loss is recorded in the year of disposal.

Website development costs

The Company recognized the costs associated with developing a website in accordance with ASC 350-50 "Website Development Cost". The website development costs are divided into three stages, planning, development and production. The development stage can further be classified as application and infrastructure development, graphics development and content development. In short, website development cost for internal use should be capitalized except content input and data conversion costs in content development stage.

Costs associated with the website consist primarily of website development costs paid to third parties. These capitalized costs will be amortized based on their estimated useful life over three years upon the website becoming operational. All capitalized web development cost are captured in property and equipment.

Fair Value of Financial Instruments

The carrying amounts of cash, accounts receivable, prepaid expenses, other receivables, property and equipment, intangible assets, deposits, accounts payable and other current liabilities approximate fair value because of the short-term maturity of these items. These fair value estimates are subjective in nature and involve uncertainties and matters of significant judgment, and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The Company does not hold or issue financial instruments for trading purposes, nor does it utilize derivative instruments.

The FASB Accounting Standards Codification ("ASC") 825, *Financial Instruments*, clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. It also requires disclosure about how fair value is determined for assets and liabilities and establishes a hierarchy for which these assets and liabilities must be grouped, based on significant levels of inputs as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Quoted prices in active markets for similar assets and liabilities and inputs that are observable for the asset or liability.
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The carrying value of financial assets and liabilities recorded at fair value is measured on a recurring or nonrecurring basis. Financial assets and liabilities measured on a non-recurring

basis are those that are adjusted to fair value when a significant event occurs. The Company had no financial assets or liabilities carried and measured on a nonrecurring basis during the reporting periods. Financial assets and liabilities measured on a recurring basis are those that are adjusted to fair value each time a financial statement is prepared.

Long-Lived Assets

The Company's long-lived assets consisted of property and equipment, and intangible assets are reviewed for impairment in accordance with the guidance of the FASB Topic ASC 360, *Property, Plant, and Equipment*, and FASB ASC Topic 205, *Presentation of Financial Statements*. The Company tests for impairment losses on long-lived assets used in operations whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted cash flows expected to be generated by the asset. If such asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. Impairment evaluations involve management's estimates on asset useful lives and future cash flows. Actual useful lives and cash flows could be different from those estimated by management which could have a material effect on our reporting results and financial positions. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary. However, there can be no assurances that demand for the Company's products or services will continue, which could result in an impairment of long-lived assets in the future.

Revenue Recognition

Revenue is recognized on an accrual basis after services have been performed under contract terms, the service price to the client is fixed or determinable, and collectability is reasonably assured.

Since these franchises are primarily a mobile concept and do not require finding locations or construction, the franchisees can begin operations as soon as they leave training. The franchise fees are fully collectible and nonrefundable as of the date of the signing of the franchise agreement, but the franchise fees are not recognized as revenue until initial training has been completed and when substantially all of the services required by the franchise agreement have been fulfilled by the Company in accordance with ASC Topic 952-605 *Revenue Recognition-Franchisor*. Royalties and marketing fees are recognized as earned.

As of September 30, 2014, 2013, and 2012 the Company had \$-0-, \$35,900, and \$-0-, respectively, in unearned revenue for franchise fees collected but not yet earned per the revenue recognition policy.

Advertising Costs

Advertising costs are expensed as incurred. The Company incurred advertising costs for the years ended September 30, 2014, 2013, and 2012 of approximately \$790,000, \$399,000 and \$307,000, respectively.

Income Taxes

The Company operates as an LLC, is a pass-through entity for federal and state income tax purposes and pays no income tax at the company level, but passes the results of its operations through to its member.

Stock-based compensation

The Company accounts for employee and non-employee stock awards under ASC 718, Compensation – Stock Compensation, whereby equity instruments issued to employees for services are recorded based on the fair value of the instrument issued and those issued to non-employees are recorded based on the fair value of the consideration received or the fair value of the equity instrument, whichever is more reliably measurable.

Recent accounting pronouncements

In July 2013, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists* (ASU 2013-11), to require that in certain cases, an unrecognized tax benefit, or portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward when such items exist in the same taxing jurisdiction. ASU 2013-11 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The Company does not believe the adoption of this standard will have a significant impact on the Company’s consolidated financial statements.

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606) (“ASU 2014-09”), which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount an entity expects to be entitled when products are transferred to customers. ASU 2014-09 will be effective for the Company beginning in its first quarter of 2017. Early adoption is not permitted. The new revenue standard may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption. The Company is currently evaluating the impact of adopting the new revenue standard on its consolidated financial statements.

(2) Related Party Transactions

During the years ended September 30, 2014, 2013, and 2012 the Company incurred costs and paid related parties (companies related by common control) for the following expenses:

Related Party	Fiscal Year Ended		
	December 31		
	2014	2013	2012
FranVentures, LLC	\$ 154,891	\$ 253,127	\$ 185,742
MC Logic, LLC	\$ 244,000	\$ 140,500	\$ 117,219
Leap Ahead Learning Company	\$ 73,000	\$ 110,000	\$ 80,000
	\$ 471,891	\$ 503,627	\$ 382,961

Fran Ventures, LLC is 100% owned by Brian Pappas, Managing Member of the Company. MC Logic, LLC is 100% owned by Michelle Cote a Director of Creative Learning Corporation. Leap Ahead Learning Company is 100% owned by Dan O'Donnell a Director of Creative Learning Corporation.

As of September 30, 2014, 2013, and 2012, the Company owed related parties \$-0-, \$5,690, and \$16,771, respectively, for franchise commissions. This liability is reported in the accompanying consolidated financial statements as Accounts payable, related party.

In July of 2013, the Company loaned \$70,000 to AudioFlix, Inc., a related party entity. The loan was personally guaranteed by Brian Papas. The loan bears interest at 6%, payable monthly and is due and payable on July 1, 2015. The unpaid balance of the loan is convertible prior to July 1, 2015 into unrestricted shares of the common stock of AudioFlix, Inc. at a price of \$0.35 per share.

On February 3, 2014, the parent company issued 70,000 common stock purchase options (20,000 each to two officers and 10,000 each to three employees at the company for services rendered for the company) allowing the holders to purchase one share of the parents common stock per option, exercisable at \$1.55 per share with an expiration date of December 31, 2016. These options were fully vested on October 1, 2014. At December 31, 2014 these share options were still outstanding. The fair value of the options grants were estimated on the date of grant using the Black-Scholes option pricing model. As the stock based compensation was to employees of the company for services provided to the company, the company recorded compensation expense of \$56,630 for the year ended September 30, 2014 for the options.

The fair value of the options granted was estimated at the date of grant using the Black-Scholes option-pricing model and the following assumptions:

Year Options were granted	2014
Market value of stock on grant date	\$ 1.55
Risk-free interest rate	30%
Dividend Yield	0%
Volatility Factor	100%
Weighted average expected life	2 years
Expected forfeiture rate	0%

In September of 2012, the Company issued a non-interest bearing promissory note of \$40,000 to a related party for consulting services payable by issuance of 40,000 shares of the Company's common stock. As of September 30, 2014 and 2013, the remaining balance on this promissory note was \$0 and \$20,000, respectively. During the year ended September 30, 2013, payments of \$20,000 were made with the issuance of common stock. During the year ended September 30, 2014, payments of \$20,000 cash were made.

(3) Property and Equipment

Property and equipment consist of the following:

	Year End	Year End	Year End
	September 30,	September 30,	September 30,
Description	2014	2013	2012
Equipment	\$ 44,930	\$ 31,969	\$ 28,717
Furniture & Fixtures	75,351	55,569	52,351
Property Improvement	53,154	53,154	48,574
Software	19,953	19,953	-
Total Depreciable Assets	\$ 193,389	\$ 160,645	\$ 129,642
Accumulated Depreciation	(72,662)	(43,922)	(23,738)
NBV Fixed Assets	\$ 120,727	\$ 116,723	\$ 105,904
Work In Progress (1)	11,706	-	-
	\$ 132,432	\$ 116,723	\$ 105,904

(1) This is website development and is expected to be completed June 2015 at total cost of \$45,000.

Depreciation expense totaled \$28,740, \$20,184, and \$13,577, respectively, for the years ended September 30, 2014, 2013, and 2012.

(4) Intangible Assets

As of September 30, 2014, the Company had \$77,204 of intangible assets, consisting of a net change of \$30,484 as the result of the repurchase of three BKF franchises and sale of one BKF franchises in Nevada, Texas, and Missouri.

As of September 30, 2013, the Company had \$46,720 of intangible assets consisting of a \$40,000 purchase of a Franchisee territory in Denver, and \$6,720 for the purchase of a partial franchisee territory in Texas.

Balance October 1, 2012	-
Additions	46,720
Disposals	-
Balance September 30, 2013	46,720
Additions	77,474
Disposals	(46,990)
Balance September 30, 2014	77,204

(5) Notes and Other Receivables

In July of 2013, the Company issued a \$70,000 loan to a related party company, personally guaranteed by the related party, at 6% interest, monthly interest only payments and fully due and payable by July 1, 2015. The Note is convertible up to the maturity date to unrestricted shares in the related party company for any unpaid balance at \$0.35 per share. As of September 30, 2014, the \$70,000, per the agreement is outstanding.

At September 30, 2014, 2013, and 2012 the Company held certain other receivables totaling \$99,585, \$81,057, and \$88,571 respectively for extended payment terms of franchise fees and sale of intangible assets, generally non-interest bearing notes with monthly payments, payable within one to two years, and Foreign Tax Credits at September 30, 2014 of \$22,729.

	2015	2016	Total
Payment schedules for Notes And Other Receivables	\$ 67,714	\$ 31,871	\$ 99,585

During the year ended September 2013, the Company agreed to a restructuring of a territory with a franchisee and wrote off a \$23,000 franchise fee, extended term note receivable as forgiveness of debt.

(6) Accrued Marketing Fund

Per the terms of the franchise agreements, the Company collects 2% of franchisee's gross revenues for a marketing fund, managed by the Company, to allocate towards national branding of the Company's concepts to benefit the franchisees.

The marketing fund amounts are accounted for as a liability on the balance sheet and the actual collections are deposited into a marketing fund bank account. Expenses pertaining to the marketing fund activities are paid from the marketing fund and reduce the liability account.

As of September 30, 2014, 2013, and 2012, the accrued marketing fund liability balances were \$176,855, \$100,754, and \$90,155, respectively.

(7) Notes Payable

In September of 2012, the Company issued a non-interest bearing promissory note of \$40,000 to a related party for consulting services payable by issuance of 40,000 shares of the Company's common stock. As of September 30, 2014 and 2013, the remaining balance on this promissory note was \$0 and \$20,000, respectively. During the year ended September 30, 2013, payments of \$20,000 were made with the issuance of common stock. During the year ended September 30, 2014, payments of \$20,000 cash were made.

At September 30, 2014, 2013 and 2012, the Company had notes payable to related parties of \$-0-, \$20,000 and \$-0-, respectively.

(8) Franchise Operations

The Company currently supports independently owned franchises located in 43 states, 9 Canadian provinces and 31 other countries. Following is a summary of the annual franchise activity:

	September 30		
	2014	2013	2012
Franchises in Operation - beginning of year	380	210	75
Franchises sold during the year	210	175	137
Franchises cancelled, terminated or repurchased during the year	(6)	(5)	(2)
Franchises in operation - end of year	584	380	210

Franchises are required to pay the Company an initial franchise fee, royalty fees and a marketing fee. The marketing fee is 2% of gross sales, and the current royalty fee is 7% of gross sales. A limited number of earlier agreements set the royalty fee at 5% if they opened a Creativity Center, but is not in the current agreements.

(9) Commitments and Contingencies

Lease Commitments

The Company entered into a Business Lease with Village Square at Palencia in July 2014, to lease unit 103B, Office Space 2, located at 701 Market Street, St. Augustine, Florida. The contract period is beginning August 1, 2014 and ending July 31, 2017. The monthly rent is \$950.00.

The Company entered into a Business Lease with Village Square at Palencia in July 2014, to lease unit 114 located at 701 Market Street, St. Augustine, Florida. The contract period is beginning July 1, 2014 and ending June 15, 2019. The monthly rent is \$1,425.00.

The following table summarizes the Company's contractual lease obligations as of September 30, 2014:

	2015	2016	2017	Total
Lease of office space	28,500	28,500	26,600	\$ 83,600

Rent expense was \$17,381, \$10,115, and \$12,444, respectively, for the years ended September 30, 2014, 2013, and 2012.

Legal Settlement

On September 27, 2013, BFK Franchise Company LLC was named as a co-defendant in a Complaint filed by a Franchisee in Nevada who had purchased three existing Las Vegas territories from other Franchisees. In December of 2013, without any further legal process, BFK Franchise Company LLC entered into a settlement with the Nevada Franchisee to purchase the

three Las Vegas territories for \$95,000. At the end of the fiscal year September 30, 2014 the outstanding balance of the note was \$55,000. This obligation will be satisfied during the next 11 months.

(10) Subsequent Events

We have evaluated the effects of all subsequent events from October 1, 2014 through the date the accompanying consolidated financial statements were available to be issued. Other than those set out above, there have been no subsequent events after September 30, 2014 for which disclosure is required.

EXHIBIT B
FRANCHISE AGREEMENT

[Exhibit begins on next page.]

Exhibit B to the FRANCHISE DISCLOSURE DOCUMENT

BFK Franchise Company, LLC

FRANCHISE AGREEMENT



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FRANCHISE AGREEMENT

This Franchise Agreement (the "**Agreement**") is made and entered into on this ____ day of _____ 20 ____ (the "**Effective Date**"), by and between: BFK FRANCHISE COMPANY, LLC, a Nevada limited liability company having its principal place of business at 701 Market St., Suite 113, St. Augustine, FL 32095 (hereinafter called "**Franchisor**," "**we**," "**us**," or "**our**") and _____ a [resident of], [corporation organized in], [limited liability company organized in] _____ and having offices at _____ (hereinafter called "**Franchisee**," or "**you**").

RECITALS:

- A. Franchisor, as the result of the expenditure of time, skill, effort, and money has developed, and owns, a unique system (hereinafter the "**SYSTEM**") relating to the establishment, development and operation of a BRICKS 4 KIDZ® business (the "**BRICKS 4 KIDZ® BUSINESS**" or the "**BUSINESS**"). As a BRICKS 4 KIDZ® Franchisee, you will own and operate a service business within a defined exclusive territory, providing project-based programs designed to teach principles and methods of engineering to children, ages 3-13+, using LEGO® plastic bricks and other LEGO® products through classes and field trips in preschools, elementary and middle schools, camps, birthday parties and other activities. The distinguishing characteristics of the SYSTEM include, without limitation, a custom designed website and franchisee administration, procedures for operations, quality and uniformity of services offered, procedures for management, training and assistance, and advertising and promotional programs;
- B. Franchisor has created a substantial demand for its services by maintaining high standards of quality in its operations and customer service levels.
- C. Franchisor is engaged in promoting the name, reputation and good will of the BUSINESS in connection with engineering classes, school field trips, camps, birthday parties and other activities for children relating to LEGO® products;
- D. Franchisor identifies the SYSTEM by means of certain trade names, service marks, logos, emblems and indicia of origin, including but not limited to the service mark "BRICKS 4 KIDZ®" and such other trade names, service marks, and trademarks (the "**Proprietary Marks**") as are now designated (and may hereinafter be designated by Franchisor in writing) for use in connection with the SYSTEM;
- E. Franchisee desires to enter into the BUSINESS and wishes to obtain a franchise from Franchisor for that purpose, as well as to receive the training and other assistance provided by Franchisor in connection therewith;

- F. Franchisee has had an adequate opportunity to be thoroughly advised of the provisions of this Agreement and has had sufficient time and opportunity to evaluate and investigate the SYSTEM and the procedures and financial requirements associated with the SYSTEM as well as the competitive market in which it operates;
- G. Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, cleanliness, appearance, and service and the necessity of operating the BUSINESS franchised hereunder in conformity with Franchisor's standards and specifications.

THEREFORE, in consideration of the mutual promises contained in this Agreement and intending to be legally bound, the Franchisor and Franchisee agree as follows:

1. **Grant of Franchise**

- a. In consideration of the payment of the Initial Franchise Fee of Twenty-Five Thousand Nine Hundred Dollars (\$25,900), Franchisee will have the right, subject to the Franchisee's continued compliance with the terms and conditions disclosed in this Agreement, to provide project-based programs designed to teach principles and methods of engineering to children, ages 3-13, using LEGO® plastic bricks through classes in elementary and preschools, camps and birthday parties, under the BRICKS 4 KIDZ® Proprietary Marks. Franchisor grants to Franchisee the right and Franchisee undertakes the obligations, upon the terms and conditions disclosed in this Agreement to establish and operate the BUSINESS using the methods, procedures and techniques of the SYSTEM, and to do so only in the territory specified in Appendix A (the "**Protected Territory**"), and to do so by utilizing only the right expressly granted to Franchisee. Franchisee is not restricted from operating any other business in the Protected Territory.
- b. Franchisee acknowledges that the consideration for the payment of the Initial Franchise Fee will have been fully earned by Franchisor upon the signing of this Agreement, and, except as may be hereinafter disclosed, in the event of any termination or cancellation of this Agreement for any reason whatsoever, Franchisor in addition to any other rights or remedies it may have, will be entitled to retain or receive the entire Initial Franchise Fee as liquidated damages.
- c. If Franchisee is a corporation, partnership, limited liability corporation or other type of entity, then the term Franchisee will include, individually and collectively, the officers, directors, shareholders, limited partner, general partner, and any others who directly or indirectly, control or benefit in and from Franchisee.
- d. During the term of this Agreement, Franchisee will have the right to establish additional franchised BUSINESSES for the Initial Franchise Fee of Eighteen Thousand Dollars (\$18,000) per franchise, and Franchisee shall be required to enter into the then current Franchise Agreement for each Franchise that is purchased.

2. **Term of Franchise; Renewal Rights**

- a. **Term.** The initial term of this Agreement, effective upon acceptance by Franchisor and, except as otherwise provided herein, shall be ten (10) years, commencing on the date of this Agreement.
- b. **Renewal.** Franchisee will have the right to renew its franchise for the Protected Territory for an additional ten (10) year term, provided Franchisee meets the following conditions:
 - i. Franchisee has given Franchisor written notice of its intention to renew at least one hundred eighty (180) days prior to the end of the term of this Agreement;
 - ii. Franchisee shall not be in default of any provision of this Agreement, has complied with all of the material provisions of this Agreement, including the payment of all monetary obligations owed by Franchisee to Franchisor, and has complied with Franchisor's material operating and quality standards and procedures;
 - iii. Franchisee has paid a renewal fee (the "**Renewal Fee**") of Five Thousand Dollars (\$5000) at least thirty (30) days prior to expiration of the current term of this Agreement; and
 - iv. Franchisee executes the standard Franchise Agreement within 30 days of current agreement expiration, then being used by Franchisor; provided that Franchisee will be required to pay the Renewal Fee in lieu of the Initial Franchise Fee stated in the then-current Franchise Agreement.

3. **Territory**

- a. Franchisee shall operate the BRICKS 4 KIDZ® BUSINESS only within the Protected Territory as defined in Appendix A. The territory shall encompass at least fifty thousand (50,000) people and contain no less than fifteen (15) public/private elementary schools and three (3) middle schools.
- b. Except as otherwise provided herein, during the term of this Agreement, Franchisor shall not establish or operate, nor license any other person to establish a BUSINESS from a location within the Protected Territory.
- c. Franchisee shall establish the BUSINESS only within the Protected Territory from which the Franchised Business will be operated. Franchisee understands that the BRICKS 4 KIDZ® model is a home-based business and Franchisee is not required to lease commercial retail or office space.

- d. Franchisor shall not establish any other BUSINESS in the Protected Territory under a different trademark.

4. Training and Commencement of Business

- a. Prior to operating the business, Franchisee shall attend Franchisor's four (4) day training program which is to be conducted at 701 Market St., Suite 113, St. Augustine, FL 32095 ("**training location**"), or some other location designated by Franchisor. One day of on-site training will also be provided by Franchisor. Additional on-site training is available to Franchisee at the cost of \$800 per diem which includes anticipated travel expenses incurred by Franchisor.
- b. During the training program, Franchisee shall receive instruction, training and education in the operation of the BUSINESS.
- c. You are required to commence operation of the BUSINESS no later than three (3) months after execution of this Agreement. Failure by Franchisee to commence operating the BUSINESS within three months after the execution date hereof, shall constitute a default under Section 14 (a)(vi) of the Franchise Agreement, and Franchisor, in its sole discretion, may terminate the Franchise Agreement pursuant to the terms of Section 14(a)(vi) of the Franchise Agreement, provided, however, the Initial Franchise Fee shall be refunded to Franchisee, less the amount of Eighteen Thousand Dollars (\$18,000) in consideration for Franchisor's costs and expenses in training and other initial services to Franchisee.

5. Obligations of Franchisor

- a. **Manuals.** Franchisor shall loan to Franchisee, subject to confidentiality provisions of this Agreement, the OPERATIONS MANUAL and TEACHERS' MANUAL for the purpose of providing guidance in the methods, and techniques of providing LEGO® engineering classes, camps and birthday parties for children;
- b. **Initial training and On-Going Assistance.** Prior to the date of commencing operation of the BUSINESS, Franchisor shall provide to Franchisee, and to Franchisee's Designated Manager ("**DM**"), four (4) days of initial training in the operation of the BUSINESS at Franchisor's location. Franchisor shall be responsible for the cost of instruction and materials, subject to the terms set forth in Section 7 below. Franchisor may from time to time furnish Franchisee such business information and literature as Franchisor determines may be helpful in improving the operations of the business. Franchisor shall advise Franchisee of new developments and improvements in the franchise system and offer to Franchisee, services, facilities, rights and privileges substantially similar to those generally offered to other franchisees in the SYSTEM. In the event that Franchisee replaces the DM ("**replacement DM**"), Franchisor shall require that the replacement DM complete

three (3) days of training at Franchisor's training location or other location designated by Franchisor at Franchisee's expense;

- c. **Consulting.** At Franchisee's request, Franchisor may advise and consult with Franchisee by telephone during normal business hours on all technical, Marketing, and operational matters of the BUSINESS, subject to availability of Franchisor's service representatives;
- d. **Promote Goodwill.** Franchisor shall continue to develop, promote and protect the goodwill and reputation associated with the Franchisor's Proprietary Marks and other aspects of the SYSTEM;
- e. **Marketing Fund.** Franchisor shall administer the Marketing Fund in the manner set forth in Section 8 below;
- f. **Marketing and Promotion.** We shall provide you twenty-five (25) BRICKS 4 KIDZ® sales and literature packs, five hundred (500) large rack cards, five hundred (500) mini-rack cards, twenty five (25) mouse pads, five hundred (500) customized business cards, five hundred (500) birthday post cards, and a start-up template package which includes five hundred (500) After-School templates, one thousand (1,000) Camp templates, and two hundred and fifty (250) blank templates. We shall review and shall have the right to approve or disapprove all marketing, advertising and promotional materials that you propose to use, pursuant to Section 8 below;
- g. **Initial Advertising Program.** Franchisor shall assist Franchisee in developing and conducting the Initial Opening Advertising Program (as described in Section 8 below), which program shall be conducted at Franchisee's expense;
- h. **Delegation of Duties.** Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisee by the Agreement, as Franchisor may direct;
- i. **Company Website.** Franchisor shall program the BRICKS 4 KIDZ® website (www.bricks4kidz.com) to include Franchisee's location and contact information as well as programs that Franchisee shall offer and promotional information. Franchisee may not use any variation of the BRICKS 4 KIDZ® name in unauthorized outside websites or social media sites without the express written authorization from BFK FRANCHISE COMPANY, LLC.
- j. **Franchise Management Tool.** We shall provide you access to our proprietary, online Franchise Management Tool ("FMT"). Franchisee is required to maintain all bookkeeping and record keeping for the BUSINESS online using the FMT. Commencing in the first month of Franchisee's operations, Franchisee shall pay to Franchisor's vendor (and developer of the FMT), a one-time set up fee of \$250 and a monthly support fee of \$75. Such fee may increase from time to time upon thirty

days' notice, but shall not exceed \$100 per month. Franchisee acknowledges that Franchisor shall have access to Franchisee's information stored on the FMT website.

- k. **Lesson & Model Plans.** We shall provide you with no less than one hundred and fifty (150) lesson plans and accompanying model plans for elementary schools and preschools. Such lesson and model plans shall be accessed through the FMT.
- l. **Project Kits.** We shall provide you with ten (10) model kits that contain all the necessary LEGO® bricks and other LEGO® components to construct at least eighty (80) different models per kit. Each model kit contains enough LEGO® components to build one (1) of each model.
- m. **Duplo® Bricks.** We shall provide you with approximately five hundred Duplo® bricks to be used in preschool classes.
- n. **Frames Stop Motion Animation Software.** We shall provide you with one (1) e-delivery code for Frames Stop Motion Animation Software, which can be downloaded for five (5) licenses to use the software.

6. **Royalty Fees; Sales**

- a. **Royalty Fees.** For each Accounting Period, as defined below, during the term of this Agreement, Franchisee shall pay to Franchisor royalty fees ("**Royalty Fees**") in the amount of: (a) seven percent (7%) of Gross Weekly Receipts for each Accounting Period (as defined below) following the Opening Date, subject to a \$1500 minimum royalty fee ("**minimum royalty fee**") for every twelve Accounting Periods, with the exception of the first twelve accounting periods where there will be no minimum royalty fee (royalties will be based on straight actual calculation). At the end of each twelve Accounting Periods, Franchisee shall pay the difference between the sum of royalties paid for the twelve Accounting Periods and \$1500, only if the total of Royalty Fees paid for the twelve Accounting Periods is less than \$1500. In addition, Franchisee shall provide to Franchisor for each Accounting Period, in writing (or electronically), a report of its Gross Weekly Receipts (a "**Receipts Report**") for the immediately preceding accounting Period. As used in this Agreement, the following terms shall have the following meanings:
 - i. The term "**Gross Weekly Receipts**" means all revenue from the provision of all services offered at or from the BRICKS 4 KIDZ® BUSINESS, and all other income of every kind and nature related to, derived from, or originating from the BUSINESS.
 - ii. The term "**Accounting Period**" shall mean a one (1) week period beginning on a Monday and ending on the Sunday following that Monday. The first (1st) Accounting Period shall also include any days from and including the

Opening Date through the one (1) week period beginning on the first Monday following the Opening Date.

- b. **Payments.** All payments required by Section 6(a) above and Section 8 below based on the Gross Weekly Receipts for the preceding Accounting Period, and the Receipts Report required by Section 6(a) for the Gross Weekly Receipts for the preceding Accounting Period, shall be paid and submitted so as to be received by Franchisor by the fourth (4th) business day of the week following each Accounting Period. Franchisee shall deliver to Franchisor any and all reports, statements and/or other information required under Section 7 below, at the time and in the format reasonably requested by Franchisor. If requested by Franchisor, Franchisee shall establish an arrangement for electronic funds transfer or deposit of any payments required under Sections 6 or 8. Franchisee shall execute Franchisor's current form of "Authorization Agreement for Prearranged Payments (Direct Debits)," a copy of which is attached to this Agreement as Appendix E and Franchisee shall comply with the payment and reporting procedures specified by Franchisor in the OPERATIONS MANUAL.
- c. **No Subordination.** Franchisee shall not subordinate to any other obligation its obligation to pay Franchisor the royalty fees and/or any other fee or charge payable to Franchisor, whether under this Agreement or otherwise.
- d. **Overdue payments.** Any payment or report not actually received by Franchisor (or the Marketing Fund) on or before its due date shall be deemed overdue. If any payment is overdue, Franchisee shall pay Franchisor, in addition to the overdue amount, interest on such amount from the date it was due until paid, at the rate of one and one-half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Franchisor may have.
- e. **Payments on behalf of Franchisee.** Franchisee shall pay to Franchisor, within fifteen (15) days of any written request by Franchisor which is accompanied by reasonable substantiating material, any monies which Franchisor has paid, or has become obligated to pay, on behalf of Franchisee, by consent or otherwise under this Agreement.

7. **Obligations of Franchisee**

No obligation, agreement, option, license, acknowledgment, or permission (individually or collectively) contained in this section or any other section of this Agreement shall be construed to establish an agency relationship between the parties of this Agreement.

The BRICKS 4 KIDZ® Proprietary Marks, Copyrights and SYSTEM licensed to Franchisee represent valuable goodwill distinctive of Franchisor's business and reputation. Franchisor will periodically develop uniform standards of quality and service regarding the business

operations of the Franchised business so as to protect (for the benefit of all franchisees and Franchisor) the distinction, valuable goodwill and uniformity represented and symbolized by the BRICKS 4 KIDZ® Mark and SYSTEM. To insure that all franchisees will maintain the uniform requirements and quality standards for goods and services associated with the BRICKS 4 KIDZ® Proprietary Marks, Copyrights and SYSTEM, Franchisee will maintain the uniformity and quality standards Franchisor reasonably requires for all products and services and agrees to the following provisions:

- a. **Managerial Responsibility** – During the term of this Agreement, the parties who have signed this Agreement for Franchisee will personally manage and operate the BUSINESS and will not, without Franchisor's prior written consent, delegate Franchisee's authority and responsibility with respect to management and operation. You are expected to devote at least thirty (30) hours per week to the BUSINESS. If you cannot devote such amount of time to the BUSINESS or do not intend to personally supervise day-to-day operations, you must designate a full-time manager ("**Designated Manager**") to engage in such supervision. Your Designated Manager, including each subsequently appointed Designated Manager, must have successfully completed our initial training program before assuming managerial responsibility, and shall be responsible for training your employees. We do not place any other restrictions on whom you may hire as your Designated Manager, and your Designated Manager need not own any equity interest in the franchise, but you must inform us as to the identity of your Designated Manager. Your Designated Manager must devote his or her personal full-time attention (no less than thirty hours per week) and best efforts to the management and operation of the business and must agree, prior to assuming management responsibility, to maintain the confidentiality of our Confidential Information.
- b. **Pre-Opening Obligations**. Prior to opening for business, Franchisee shall comply with all pre-opening requirements set forth in this Agreement, including all Local, State, and Federal codes, laws, taxes and regulations (including without limitation those with respect to the Initial Advertising Program), the OPERATIONS MANUAL, and/or elsewhere in writing by Franchisor.
- c. **Inspections**. Upon reasonable notice, Franchisee shall permit Franchisor during Franchisee's business hours to confer with Franchisee and Franchisee's employees, check methods, books, records, computer data and to perform any other inspection including copying of documents and computer data deemed by Franchisor to be necessary to protect the standards of quality and uniformity of the Franchised Business and franchisee's performance under this Agreement;
- d. **Products and Services**. Franchisee will provide only those products and services Franchisor approves in writing and will offer all products and services Franchisor directs in the OPERATIONS MANUAL. Franchisee may offer other services other than those directed by Franchisor with the written consent and approval of the

Franchisor. Franchisee will conform to all quality standards Franchisor directs in writing.

- e. **Training.** At least two weeks prior to the opening of the BUSINESS, Franchisee (or, if Franchisee is a corporation, partnership, limited liability company, or limited liability partnership, one of Franchisee's principals who is designated to supervise the operation of the BUSINESS and who has been previously approved by Franchisor) shall attend and successfully complete, to Franchisor's satisfaction, the initial training program offered by Franchisor, pursuant to Section 5 above. The cost of initial training (instruction and required materials) shall be borne by Franchisor. The costs of transportation, lodging, meals, wages, and worker's compensation insurance, shall be borne by Franchisee.
 - i. If franchisee requests that Franchisor provide on-site training in addition to that described in Section 5 above, and Franchisor is able to do so, then Franchisee Agrees that it shall pay Franchisor's then-current per diem charges and out-of-pocket expenses, which shall be as set forth in the OPERATIONS MANUAL or otherwise in writing.
 - ii. Franchisee shall not be required to attend additional training programs.
- f. **Payment of Liabilities.** Franchisee will timely pay all of its obligations and liabilities due and payable to Franchisor, suppliers, lessors and creditors.
- g. **Taxes.** Franchisee will promptly pay all federal, state and local taxes arising out of the operation of the Franchised Business. Franchisor will not be liable for these or any other taxes and Franchisee will indemnify Franchisor for any such taxes that may be assessed or levied against Franchisee which arise or result from the Franchised Business.
- h. **Standardization.** Franchisee will comply with such programs of standardization as Franchisor may periodically develop to promote the common business image and to protect the goodwill associated with the Marks and SYSTEM.
- i. **Operations Manual.** In order to protect the reputation and goodwill of Franchisor and to maintain uniform operating standards under the Marks and Business SYSTEM, Franchisee will conduct the BUSINESS in accordance with Franchisor's OPERATIONS MANUAL, one copy of which Franchisee will have on loan from Franchisor. Franchisee will treat the OPERATIONS MANUAL as confidential, and will use all reasonable efforts to maintain the OPERATIONS MANUAL as secret and confidential. The OPERATIONS MANUAL will remain Franchisor's sole property. Franchisor may periodically revise the contents of the Manual. Franchisee agrees to comply with each new or changed standard. Franchisee will insure that its copy of the OPERATIONS MANUAL is kept current. In the event of any dispute

as to the contents of the OPERATIONS MANUAL, the terms of the master copy of the OPERATIONS MANUAL that Franchisor maintains will be controlling;

- j. **Computer System.** We require you to purchase a laptop. We do not require that you purchase a particular type or model of laptop computer.
- k. **General Operation.** Franchisee will operate the business exclusively under the BRICKS 4 KIDZ® Proprietary Marks and in accordance with standards, operating procedures, specifications, requirements and instructions established by Franchisor in the OPERATIONS MANUAL;
- l. **Compliance with Laws.** Franchisee shall comply at all times with all federal, state, county, city and other local laws, regulations and ordinances;
- m. **Equipment.** Franchisee shall maintain at all times (except when fire or other casualty so prevents) sufficient equipment to operate the business at maximum capacity and efficiency;
- n. **Reports.** Franchisee shall submit to Franchisor uniform reports and royalties no later than the 4th day of the week following each Accounting Period during the term of this Agreement in accordance with the procedures set forth during training, and in this Agreement. Furthermore, Franchisee shall submit to Franchisor unaudited quarterly financial statements within thirty days of the end of each calendar quarter and a year-end tax return.
- o. **Record Keeping.** Franchisee shall maintain a system of bookkeeping and record keeping by entering all information pertaining to the BUSINESS in the Franchise Management Tool;
- p. **Suppliers.** Franchisee may purchase all products, services, supplies, equipment, materials, and other products used or offered for sale at THE BUSINESS from any supplier as long as the quality is equal to or better than that of the suppliers recommended by Franchisor.
- q. **Promotional Materials.** Franchisee shall require all Marketing, advertising and promotional materials, signs, and decorations, to bear the Franchisor's then-current Proprietary Marks and logos in the form, color, location and manner then-prescribed by Franchisor.
- r. **Franchise Management Tool.** Commencing in the first month of Franchisee's operations, Franchisee shall pay to Franchisor's vendor, a set-up fee of \$250 and a monthly user/support fee of \$75. Such fee may increase from time to time upon thirty days notice, but will not exceed \$100 per month. Franchisee acknowledges that Franchisor shall have access to Franchisee's information stored on the Franchise Management Tool website.

8. **Marketing**

Recognizing the value of marketing and advertising, and the importance of the standardization of marketing and advertising programs to the furtherance of the goodwill and public image of the SYSTEM, the parties agree as follows:

- a. **Marketing Fee.** For each Accounting Period during the term of this Agreement, Franchisee shall make a contribution (the “**Marketing Fee**”) to Franchisor’s system-wide Marketing and advertising fund (the “**Marketing Fund**”) in the amount of two percent (2%) of Gross Weekly Receipts for the immediately preceding Accounting Period as referenced in Section 6 above. The Marketing Fee shall be paid by Franchisee in the manner required under Section 6 above.
- b. **Marketing Fund.** The Marketing Fund shall not be used for general operating expenses of Franchisor, but shall be used and expended for media costs, commissions, fees, production costs, and other costs of advertising which is published, broadcast, televised, mailed, displayed, or otherwise disseminated. Franchisee agrees and acknowledges that the Marketing Fund is intended to maximize general public recognition, acceptance, and use of the SYSTEM; and that Franchisor and its designee are not obligated, in administering the Marketing Fund, to make expenditures for Franchisee which are equivalent or proportionate to Franchisee’s contribution, or to ensure that any particular Franchisee benefits directly or pro rata from expenditures by the Marketing Fund.
- c. **Advertising decisions.** All decisions from time to time regarding whether to utilize national, regional, or local advertising, or some combination thereof, and all decisions regarding selecting of the particular media and advertising content, shall be within the sole discretion of Franchisor and such agencies or others as it may appoint.
- d. **Approvals.** Other than the materials available from the Franchisor, Franchisee shall not use, display, publish, broadcast, or in any manner disseminate any advertising or promotional material unless the same has been first approved in writing by Franchisor. In the event that Franchisor from time to time furnishes to Franchisee any advertising, promotional or informational materials to be used, displayed, or distributed in or about the BUSINESS, Franchisee agrees to follow the instructions of Franchisor in connection therewith;
- e. **Initial Advertising Program.** In addition to and not in lieu of the Marketing Fee and Local Advertising requirement, Franchisee shall expend a minimum of one thousand dollars (\$1000) for initial advertising and promotional programs in conjunction with the BUSINESS’ commencement of operation, pursuant to an Initial Advertising Program developed by Franchisor. Such expenditure may include the cost of printing distribution materials to elementary and preschools.

- f. **Local or Regional Advertising Cooperative Advertising.** Franchisee shall not be required to participate in any local or regional advertising cooperative.

9. **Insurance**

- a. Franchisee shall procure at its expense and maintain in full force and effect during the term of this Agreement an insurance policy, or policies, protecting Franchisee and Franchisor, and their officers, directors, partners, and employees, against any loss, liability, or expense whatsoever arising or occurring upon or in connection with the franchised business, as Franchisor may reasonably require for its own and Franchisee's protection. Franchisor shall be named an additional insured in such policy, or policies. Said policies shall be secured by the Franchisee before commencement of business by Franchisee, and proof of such insurance must be provided to Franchisor prior to opening or build out by Franchisee.

Such policy or policies shall be written by an insurance company satisfactory to Franchisor, in accordance with standards and specifications set forth in the Confidential OPERATIONS MANUAL or otherwise in writing, and shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified for all franchisees from time to time by Franchisor in the Confidential OPERATIONS MANUAL or otherwise in writing), the following:

- i. **Comprehensive General Liability Insurance** with minimum limits of one million dollars (\$1,000,000) per person and two million dollars (\$2,000,000) aggregate per occurrence;
 - ii. **Business Interruption Coverage;**
 - iii. **Such additional insurance** as may be required by the terms of any lease for the BUSINESS or leased equipment.
 - iv. **Any other insurance coverage** that is required by federal, state, or municipal law.
- b. Franchisee shall furnish Franchisor, any other named insured, and all other persons designated by Franchisor, certificates issued by each of Franchisee's insurers indicating that all required insurance is in full force and effect and will not be terminated or changed without at least thirty (30) days prior written notice from the insurer to each certificate holder. New certificates evidencing renewal of such insurance shall be furnished at least thirty (30) days prior to the date of expiration of each such policy. Within five (5) days of any request by Franchisor, Franchisee shall deliver the original of all such insurance policies to Franchisor for examination.
- c. If Franchisee fails to obtain or maintain any insurance policy continuing all the coverages, clauses and provisions required under this section, Franchisor may, at its

election, obtain and maintain said insurance for and in the name of Franchisee. Within fifteen (15) days of any written request of Franchisor, Franchisee shall furnish all information necessary to obtain and maintain such insurance and shall pay all costs thereof.

- d. In the event of cancellation, material change, or non-renewal of any policy, sixty (60) days' advance written notice must be provided to Franchisor in the manner provided in Section 19 below.

10. Proprietary Marks and Trade Secrets

- a. Franchisee hereby acknowledges the validity of the BRICKS 4 KIDZ® Proprietary Marks and Copyrights, and that Franchisor is the owner of all right, title, and interest therein and that Franchisor has required Franchisee and granted him the right to use Franchisor's Proprietary Marks and Copyrights under the terms of this Agreement. Franchisee agrees to use the BRICKS 4 KIDZ® Proprietary Marks and Copyrights in full compliance with specifications prescribed from time to time by Franchisor and that all such usage and the good will established from the use of the Proprietary Marks shall inure to the exclusive benefit of Franchisor.
- b. Franchisor shall defend or indemnify Franchisee if a claim, suit or demand against Franchisee arises out of or relates to Franchisee's use of the Proprietary Marks and Copyrights only if Franchisee has used the Proprietary Marks and Copyrights in accordance with the terms of the Franchise Agreement.
- c. Franchisee represents and warrants that:
 - i. It will not contest, directly or indirectly, Franchisor's ownership, title, right or interest in the Proprietary Marks and Copyrights, trade secrets, methods, procedures, and techniques of the franchise or contest Franchisor's sole right to register, to use, and to award franchises to others to use such BRICKS 4 KIDZ® Proprietary Marks and Copyrights, trade secrets, methods, procedures and techniques and any other Mark or name which incorporates the phrase BRICKS 4 KIDZ®;
 - ii. Franchisee will not use or register or attempt to use or register as its corporate identity the BRICKS 4 KIDZ® name or any variation of any kind utilizing BRICKS 4 KIDZ® Proprietary Marks and Copyrights, or any other materials used in the operation of the franchise.
 - iii. Franchisee will not disclose to any person or entity except in the ordinary course of business, any data or information contained in any guides, manuals, or information that may be provided by Franchisor

from time to time and Franchisee will keep and maintain such data and information and other materials furnished to Franchisee by Franchisor as trade secrets.

- iv. Franchisee may not make any changes or substitutions whatsoever in or to the use of the Proprietary Marks and Copyrights unless directed by Franchisor in writing. Franchisor reserves the right to change the Proprietary Marks at any time. Upon receiving written notice from Franchisor, Franchisee must, at its expense, immediately make such changes and use such substitutions to the Proprietary Marks as Franchisor may require.
- v. Franchisee shall identify itself as the owner of the Franchised Business in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations as Franchisor may designate in writing. Franchisee must hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a license from Franchisor.

11. Restrictions on Change of Ownership

- a. Franchisee shall not, without Franchisor's prior written consent, voluntarily or involuntarily sell, assign, convey, pledge, merge, transfer, encumber or give (collectively "transfer") away any direct or indirect interest in this Agreement, the BRICKS 4 KIDZ® name, or any variation of said name, and/or in the franchise herein granted. Any sale, assignment, transfer or encumbrance of this Agreement or the franchise granted without the prior written permission of Franchisor shall be null and void and not valid or binding in any legal action and shall constitute a material breach of this Agreement, for which Franchisor may immediately terminate without opportunity to cure pursuant to Section 14 of this Agreement.
- b. Notwithstanding anything to the contrary herein, Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity, and any designated assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. In order to effect the foregoing, Franchisee shall execute such documents of attornment or otherwise as Franchisor shall request.
- c. Franchisee shall notify Franchisor in writing of any proposed transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the BUSINESS at least thirty (30) days before such transfer is proposed to take place to obtain Franchisor's consent to the transfer. Franchisor shall not unreasonably withhold its consent to any transfer, but if a transfer, alone or together with other previous, simultaneous or proposed transfers, would have the effect of

changing control of Franchisee, this Agreement, or all or substantially all of the assets of the BUSINESS Franchisor may in its sole discretion, require any or all of the following as conditions of its approval:

- i. Transferee agrees to successfully complete the training program required of all new franchisees and pays to Franchisor a transfer fee equal to 10% of the then-current initial Franchise Fee;
 - ii. Franchisee pays to Franchisor all moneys due and cures any existing defaults under this Agreement; and
 - iii. If the balance of the term of this Agreement is two years or less Transferee signs a then-current Franchise Agreement, the term of which shall be the term of the then current Franchise Agreement; provided, however, that the transferee shall not be required to pay an initial franchise fee, other than the transfer fee required in subsection 11.c.i above.
- d. If Franchisee is an individual and desires, during the term hereof, to transfer this Agreement to a corporation for the convenience of ownership and has given Franchisor written notification 30 days in advance, Franchisor will not unreasonably withhold its consent to the transfer of this Agreement and Franchisee's interest herein, provided that Franchisee and such corporation satisfy Franchisor's reasonable requirements, including but not limited to the following:
 - i. Franchisee shall at all times be the record and/or beneficial owner of such corporation.
 - ii. No other person or entity, except members of Franchisee's immediate family shall own or have any right to acquire any capital stock or securities of such corporation without Franchisor's prior written consent.
 - iii. Franchisee shall remain personally liable to Franchisor for all obligations under this Agreement (including but not limited to the covenants contained in Section 16 hereof).
 - iv. Franchisee shall provide financial statements of the potential transferee.
- e. If any party holding any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business desires to accept any *bona fide* offer from a third party to purchase such interest, Franchisee shall notify Franchisor in writing, by certified mail, return receipt requested, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within 30 days after receipt of franchisee's notification, to match transferee's offer, or pay the equivalent in cash. Franchisor may then purchase the interest upon the same terms and

conditions offered by the proposed assignee. Failure by Franchisor to exercise this right within 30 days following receipt of the written offer shall thereafter permit Franchisee to proceed with the sale to the proposed transferee provided they have previously obtained transferee approval from Franchisor. Any change in the terms between the proposed transferee and Franchisee shall be considered a new offer which must be submitted to Franchisor subject to the procedures set forth herein.

- f. Upon the death or mental incapacity of Franchisee or any person with an interest in Franchisee (if Franchisee is a corporation or partnership), or in all or substantially all of the assets of the Franchised Business, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six (6) months after such death or mental incapacity. Such transfers, including, without limitation transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section 11 or do not wish to accept such transfer, then the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within a reasonable time, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement, pursuant to Section 14 & 15.

12. Protection of System

If Franchisee learns of any actual or threatened infringement or piracy of the Proprietary Marks, trade secrets, methods, procedures or techniques used in the franchise system (the "infringement") or of any infringement or piracy claim made against Franchisee by a party other than Franchisor (Third Party Claim), Franchisor shall in the exercise of its sole discretion determine what action, if any, to take with respect to the foregoing and shall bear the expense of any such action determined appropriate by Franchisor.

13. Relationship of the Parties: Indemnification

- a. The relationship between Franchisor and Franchisee is strictly that of a Franchisee and Franchisor and Franchisee is an independent contractor. This Agreement does not create a joint venture, partnership, bond, employment arrangement, relationship, or alliance except as described in this Agreement and any act of omission of either party shall not bind or obligate the other.
- b. Franchisee agrees that Franchisor has entered into this Agreement in reliance upon and in recognition of the fact that Franchisee will have full responsibility for the management and operation of the business and that the amount of profit or loss resulting from the operation of the business will be directly attributable to the performance of the Franchisee.

- c. Franchisee shall protect, indemnify and save Franchisor harmless against any and all claims, demands, losses, damages (including punitive damages), costs, suits, judgments, penalties, expenses, and liabilities of any kind or nature arising directly or indirectly out of or in connection with the operation of the BUSINESS.
- d. Franchisee recognizes that nothing contained in this Agreement shall be construed as giving to Franchisee or to any other person or entity, any right or interest in the BRICKS 4 KIDZ® Proprietary Marks and variations thereof, Copyrights, trade secrets, methods, procedures, or techniques developed by Franchisor and used throughout the SYSTEM. Furthermore, nothing contained in this Agreement shall be construed as limiting Franchisor's right, title or interest in the BRICKS 4 KIDZ® Proprietary Marks, copyrights, trade secrets, methods, procedures and techniques which are a part of the SYSTEM or Franchisor's sole and exclusive right to register, to use and to award franchises to others to use such Proprietary Marks, copyrights, trade secrets, methods, procedures and techniques.
- e. In all public records and in relationships with third parties as well as on letterheads and business forms, Franchisee shall indicate his independent ownership of the business and that he is a BRICKS 4 KIDZ® Franchisee. Franchisee agrees to conspicuously display inside the franchise a notification sign, provided by Franchisor, that he is solely an independent business person and a Franchisee of THE BUSINESS.

14. Termination/Cancellation

- a. Franchisor, at its option, and without prejudice to any other rights or remedies which it may have hereunder, at law or in equity, may terminate this Agreement by notice in writing to the Franchisee if:
 - i. Franchisee is delinquent in the payment of the Royalty Fee and if the default is not cured within twenty (20) days after Franchisor gives notice in writing to cure such default;
 - ii. Franchisee defaults in the performance of any of the other terms, conditions and obligations of this Agreement, and if the default is not cured within twenty (20) days after Franchisor gives notice in writing to cure such default;
 - iii. Franchisee attempts to make a transfer in violation of Section 11, and if the default is not cured within twenty (20) days after Franchisor gives notice in writing to cure such default.
- b. Franchisor's written notice will:
 - i. Specify the default.
 - ii. State that the Franchisor intends to terminate this Agreement if the default is not remedied within a stated period of time.

- iii. State what the Franchisor requires to be done to remedy the default.
- c. Franchisor, at its option, and without prejudice to any other rights or remedies which it may have hereunder, at law or in equity, may terminate this Agreement immediately and without prior notice if:
 - i. Franchisee has failed to remedy the default in accordance with the written notice.
 - ii. Franchisee is adjudicated as bankrupt or insolvent: if a receiver (permanent or temporary) of the property, or any part thereof is appointed by a court of competent authority; or if Franchisee makes a general assignment for the benefit of his creditor; or if execution is levied against Franchisee's BUSINESS or property;
 - iii. Franchisee is convicted of a felony, a crime involving moral turpitude, bribery, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's interest therein;
 - iv. Franchisee operates the Business in a way that endangers public health and safety;
 - v. Franchisee is fraudulent in connection with the operation of the Business.
- d. Notwithstanding anything contained herein to the contrary, Franchisor shall not be required to give Franchisee notice in the case of a default hereunder or to afford Franchisee any period within which to cure the same and Franchisor may terminate this Agreement immediately and without prior notice on any default if, within twelve (12) months immediately preceding the occurrences of such default, Franchisee has been given notice of any default hereunder on two (2) prior occasions, whether or not such default has been cured.
 - i. The immediately preceding clause does not apply if this Agreement is entered into as a consequence of a transfer of an existing franchise agreement. The Transferee shall not be required to cure Transferor's previous defaults.
- e. Franchisee, at its option, and without prejudice to any other rights or remedies, which it may have hereunder, at law or in equity may voluntarily cancel this Agreement at any time. In the event of a voluntary cancellation as a consequence of the above, Franchisee agrees to comply with all the terms of paragraphs 15 and 16. If Franchisee elects to cancel this Agreement, Franchisee must provide six (6) months written notice to Franchisor of its intent to cancel the Franchise agreement and pay to Franchisor all royalty, marketing and FMT user fees due up until six (6) months past the date of written notice ("effective date of voluntary cancellation"), plus a voluntary cancellation fee ("voluntary cancellation fee") equal to twenty percent (20%) of the minimum royalties due for the remainder of the ten (10) year term of the Agreement and calculated from the effective date of cancellation through the final effective date of the Agreement. Franchisee shall not be liable for the

minimum royalty fee, marketing fee or monthly FMT user fee after the effective date of cancellation. In the event of voluntary cancellation, Franchisee shall assign all contracts with schools, community centers, recreation departments, etc. to Franchisor and shall forfeit all revenue beyond the effective date of cancellation.

Upon the date of written notification by Franchisee to voluntarily cancel the Franchise Agreement, Franchisor shall have the right to sell Franchisee's territory. Such sale shall not be effective until the effective date of cancellation. Notwithstanding the foregoing, at Franchisor's option, if Franchisor has secured a buyer for Franchisee's territory prior to the effective date of cancellation, then Franchisor shall have the right to cancel Franchisee's Franchise Agreement prior to the effective date of cancellation ("Franchisor's cancellation date") and Franchisee shall not be liable for the above-stated voluntary cancellation fee or for any royalty payments, minimum royalty payment, marketing fees or FMT payment beyond the Franchisor's cancellation date.

15. Effect of Termination/Cancellation

Upon the termination or cancellation of this Agreement for any reason, including without limitation, termination upon the expiration of its current term by virtue of Franchisee's failure to renew this Agreement as provided in Section 2 of this Agreement, Franchisee shall cease to be a BRICKS 4 KIDZ® Franchisee, and

- a. Franchisee agrees to:
 - i. Promptly pay Franchisor all past due amounts owing from Franchisee to Franchisor, plus a voluntary cancellation fee equal to twenty percent (20%) of the minimum royalties due for the remainder of the ten- year term of the Agreement and calculated from the effective date of cancellation through the final effective date of the Agreement;
 - ii. Immediately discontinue the use of all Franchisor's Proprietary Marks and any variation thereof, signs, structures, forms of advertising, colors, stationery, telephone listings and service, uniforms, manuals and all materials and products of any kind, which are identified or associated with a BRICKS 4 KIDZ Franchise.
 - iii. Thereafter to make no representations or statements electronically, in word, or print, or in any other manner that Franchisee is or ever was in any way approved, endorsed or awarded a franchise by Franchisor or associated or identified with Franchisor in any manner whatsoever or that Franchisee is or was a former BRICKS 4 KIDZ® Franchisee;
 - iv. Immediately discontinue the use of all Franchisor's Proprietary Marks and any variation thereof, within all social media networks (Facebook, Twitter, Pinterest, Yammer, etc.) and immediately de-activate any additional website addresses, email addresses, social media sites and all other electronic memberships of any kind which are related or linked to the use of Bricks 4 Kidz® Propriety Marks.

- v. Immediately to take all steps necessary to amend or terminate any registration or filing containing the BRICKS 4 KIDZ® Proprietary Marks in order to effectuate the removal of the Proprietary Marks from such a registration or filing and all equipment and or products.
 - vi. Assign to Franchisor all right, title, and interest in any email address, website, identification, method of communications, telephone numbers and BUSINESS listings used by Franchisee in connection with its conduct of the franchised BUSINESS, and agrees that any such right, title or interest may be assumed by Franchisor, at Franchisor's option, upon termination or expiration of this Agreement. Franchisee also hereby appoints Franchisor as its attorney-in-fact with full power and authority to execute on Franchisee's behalf any documents that are necessary to effectuate such assignments.
 - vii. Return to Franchisor the OPERATIONS MANUAL, the TEACHERS' MANUAL if provided, and all other records, correspondence, and instructions, videotapes, and software containing confidential information relating to the operation of the Bricks 4 Kidz® BUSINESS, all of which are acknowledged to be the property of Franchisor, including the original and all copies of databases and all lists held by the Franchisee of customers of the Business and vendors and suppliers to the Business.
 - viii. Comply with the covenants contained in Section 15 and Section 16 of this Agreement.
- b. Termination or voluntary cancellation of this Agreement shall not effect, modify or discharge any claims, rights, causes of action or remedies, which Franchisor may have against Franchisee, whether under this Agreement or otherwise, for any reason whatsoever, whether such claims or rights arise before or after termination.
 - c. In the event of a transfer of this Agreement, transferor shall remain obligated under the provisions of 15(a), of this Section.
 - d. Franchisee acknowledges and agrees that at the termination of this Agreement, Franchisee is not entitled to receive any payment or compensation from the Franchisor for any goodwill in connection with the Business, the Marks, or any reputation developed by the Franchisee in connection with operating the Business.

16. Covenant Not to Compete

Franchisee acknowledges that as a Franchisee of Franchisor, Franchisee will receive confidential information and materials, and such methods, procedures and techniques developed by Franchisor that Franchisee did not previously possess. Therefore, to protect the SYSTEM, and all franchisees within the SYSTEM, and to induce Franchisor to grant to Franchisee the franchise as set forth in this Agreement, Franchisee covenants that:

- a. During the term of this Agreement, Franchisee, any personal guarantor or any immediate family member (by blood or marriage) shall not directly or indirectly

within or outside the Protected Territory, for itself, or through, on behalf of, or in conjunction with any person or legal entity, engage in any business that provides project-based programs to teach principles and methods of engineering to children, using LEGO® plastic bricks;

- b. For a period of two (2) years after the later of (i) termination, transfer or expiration of this Agreement or (ii) the last date Franchisee, any personal guarantor or immediate family member (by blood or marriage) competed in violation of any provision of Section 16 of this Agreement or the unauthorized use of Franchisor's Trademark(s), Franchisee, any personal guarantor or immediate family member (by blood or marriage) shall not directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity, engage in any business that provides project-based programs to teach principles and methods of engineering to children, using LEGO® plastic bricks
 - i. Within a twenty-five (25) mile radius of the Protected Territory; or
 - ii. Within the Protected Territory of any other Franchisee.
- c. Franchisee further acknowledges and agrees that it will immediately and without protest pay all attorneys' fees and related expenses that Franchisor may incur in pursuing injunctive relief in order to enforce the terms of Section 16.

17. Arbitration

- a. Prior to the initiation of any litigation or arbitration by either party pursuant to Section 17 (b), the parties shall make a good faith effort to resolve any controversies between them by non-binding mediation in St. Johns County, Florida, either through a mutually acceptable mediator or through an established mediation service selected by Franchisor. No litigation or arbitration proceeding may be commenced until the earlier of 30 days from written notice by one party to the other of a request to initiate mediation, or the mutual agreement by both parties that mediation has been unsuccessful in resolving the existing controversy. Mediation shall be deemed unsuccessful if the notified party fails to respond to the requesting party within 30 days of notification. The parties shall share equally all fees and expenses of the mediator.
- b. Except as qualified in 17a, and 17e, the parties hereby agree that any and all disputes and claims arising out of (either directly or indirectly) or related to the Franchised Business, this Agreement or related agreement(s) including breach thereof and including any alleged violation of law shall be submitted to binding arbitration under the Federal Arbitration Act and under the auspices of the American Arbitration Association (AAA). Any arbitration must be resolved on an individual basis only and not joined as part of a class action or the claim of other franchisees. The dispute shall be heard by a panel of three (3) independent arbitrators in accordance with the

Commercial Arbitration rules of the American Arbitration association. The arbitrators must follow the law and not disregard the terms of this Agreement. Franchisee and Franchisor shall share equally all fees and expenses of the arbitrators and AAA. Arbitration shall take place in St. Johns County, Florida.

- c. The decision of the Arbitrators may be filed as a judgment in any court of competent jurisdiction and will be binding in any other jurisdiction.
- d. Any arbitration proceeding, or any claim in arbitration (including any defense and any claim of setoff or recoupment), must be brought or asserted before the expiration of the earliest of (1) the time period for bringing an action under any applicable state or federal statute of limitation; (2) one year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (2) two years after the first act or omission giving rise to an alleged claim.
- e. Notwithstanding anything to the contrary in Sections 17 a – 17d above, Franchisee recognizes that its Franchised Business is one of a number of businesses identified by the Proprietary Marks and similarly situated and selling to the public similar products and services, and hence the failure on the part of a single franchisee to comply with the terms of its agreement could cause irreparable damage to Franchisor and/or to some or all of Franchisor's other franchisees. Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by Franchisee, Franchisor will forthwith be entitled to an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. Similarly, it is mutually agreed that in the event of breach or threatened breach of any of the terms of this Agreement by Franchisor, Franchisee will forthwith be entitled to an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that the parties might otherwise have by virtue of any breach of this Agreement by the other party.
- f. Any claims, controversies or disputes arising out of or related to this Agreement that are not subject to arbitration as provided above, will be brought in the Federal District Court in Duval County, Florida.

18. Waiver

A waiver of any violation of this Agreement or delay or omission on the part of Franchisor to exercise any right arising from any violation of this Agreement shall not impair its rights to any future violations.

19. Notice

All notices under this Agreement shall be in writing, delivered by registered mail return receipt requested, or by common overnight delivery service. Further it is agreed by Franchisee and Franchisor that all notices shall be addressed to, received by and signed by the addressed party in order to be considered lawful and valid process.

If to the Franchisor:

BFK FRANCHISE COMPANY, LLC
701 Market St., Suite 113
St. Augustine, FL 32095

If to the Franchisee:

20. Severability

If any portion(s) of this Agreement shall be held invalid or unenforceable, the validity of the remaining portions shall be unaffected and this Agreement shall remain in full force and effect as if it had been executed with the invalid portion(s) omitted.

21. Caveat

IT IS AGREED THAT NO REPRESENTATIONS OF SUCCESS HAVE BEEN MADE TO FRANCHISEE BY FRANCHISOR, NOR DOES FRANCHISOR GUARANTEE THE SUCCESS OF THE FRANCHISEE'S BUSINESS. FRANCHISEE UNDERSTANDS AND RECOGNIZES THAT THE SUCCESS OF THE BUSINESS IS THE SOLE RESPONSIBILITY OF FRANCHISEE AND WILL BE A RESULT OF EFFORTS AND BUSINESS DECISIONS MADE BY FRANCHISEE.

_____ Initial

**22. JURISDICTION, VENUE AND CONTROLLING LAW;
INTERPRETATION OF RIGHTS**

- a. This Agreement shall be governed by and enforced in accordance with the laws of the state of Florida. Franchisee and Franchisor consent to the jurisdiction and venue of any court of general jurisdiction, in the County of St. Johns, State of Florida and, except as provided in Section 17 above, any legal proceedings arising out of this Agreement shall be brought only in such court.

- b. Whenever this Agreement provides that Franchisor has a certain right, that right is absolute and the parties intend that Franchisor's exercise of that right will not be subject to any limitation or review. Franchisor has the right to operate, administrate develop and change the SYSTEM in any manner that is not specifically precluded by the provisions of this agreement.
- c. Whenever Franchisor reserves or is deemed to have reserved discretion in a particular area or where Franchisor agrees or is deemed to be required to exercise Franchisor's rights reasonably or in good faith, Franchisor will satisfy its obligations whenever Franchisor exercises Reasonable Business Judgment in making its decision or exercising its rights. A decision or action by Franchisor will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision or action is intended, in whole or significant part, to promote or benefit the SYSTEM generally even if the decision or action also promotes a financial or other individual interest of Franchisor. Examples of items that will promote or benefit the system include enhancing the value of the Proprietary Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the SYSTEM.

23. **Bricks 4 Biz Addendum™**

In the event that Franchisee desires to conduct classes and provide programs in the field of team-building and development to children older than 13 years of age and to adults, under Franchisor's service mark "Bricks 4 Biz™", Franchisee and Franchisor shall enter into the Addendum To Bricks 4 Kidz® Franchise Agreement For Bricks 4 Biz™ Services attached to this Agreement (the "B4B Addendum"). The B4B Addendum will not be deemed to be a material part of the franchise granted by Franchisor to Franchisee under this Agreement. In the event that Franchisor elects to terminate the provision of B4B Services (as defined in the B4B Addendum) by its franchisees, such termination will not be deemed to be an election by Franchisor to terminate this Agreement, and, in such case, Franchisor and Franchisee shall continue to be bound by the terms of this Agreement.

24. **Entire Agreement**

Franchisor encourages Franchisee to seek the advice of an Attorney in evaluating this Agreement, and Franchisee acknowledges that Franchisee has had ample opportunity to engage an attorney to advise Franchisee regarding evaluating this Agreement.

This Agreement, and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in this or in any related agreement; however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

You acknowledge that you are entering into this agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

- a. Franchisee warrants that he has not received any oral promises of any kind from anyone in connection with the signing of this Agreement and that all agreements and understandings between the parties have been incorporated totally and without exception in this Agreement. It is agreed and understood that this Agreement has been signed at the headquarters or regional office of Franchisor.
- b. Franchisee acknowledges that if all or any part of the fees required by this Agreement was financed, that the finance company was freely chosen by Franchisee and Franchisee takes sole responsibility for rates, terms and conditions.

24. Receipt For Disclosure Document.

Franchisee has received a copy of this Agreement and the BRICKS 4 KIDZ® Franchise Disclosure Document at least ten (10) days before signing this Agreement or paying any fee to Franchisor. Franchisee has received a complete copy of this Agreement and all exhibits and addenda, with all material blanks filled in, at least five (5) days before signing this Agreement. Franchisee has been encouraged and provided ample opportunity to consult an attorney or other advisor(s) of its own choosing before entering into this Agreement.

**[THIS SPACE LEFT INTENTIONALLY BLANK
SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, Franchisor and Franchisee have signed this Agreement as of the day and year first above written.

This is a legal document which grants specific rights to and imposes certain obligations upon Franchisor and Franchisee. Consult legal counsel to be sure that you understand your rights and duties.

BFK FRANCHISE COMPANY, LLC:

By _____ (Date)

Its _____

FRANCHISEE:

By _____ (Date)

APPENDIX A
APPROVED AND PROTECTED TERRITORY

DESCRIBED AS THE FOLLOWING ZIP CODES IN (STATE)

Initial _____

**BFK FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT**

APPENDIX B

GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT

As an inducement to *BFK FRANCHISE COMPANY, LLC* ("**Franchisor**") to execute the Franchise Agreement between Franchisor and abc ("**Franchisee**"), dated _____, 20__ (the "**Agreement**"), the undersigned, jointly and severally, hereby unconditionally guarantee to Franchisor and Franchisor's successors and assigns that all of Franchisee's monetary and other obligations under the Agreement will be punctually paid and performed.

Upon demand by Franchisor, the undersigned each hereby jointly and severally agree to immediately make each payment required of Franchisee under the Agreement and waive any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee; or (d) give notice of demand for payment by Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee, and the undersigned each hereby jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Agreement.

The undersigned each hereby jointly and severally agree to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

The undersigned each hereby jointly and severally acknowledge and expressly agree to be individually bound by all of the covenants contained in this Agreement, and acknowledge and agree that this Guarantee does not grant the undersigned by right to use the BUSINESS Marks or SYSTEM licensed to Franchisee under the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 22& 23 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the state of Florida. In

the event of any conflict of law, the laws of the state of Florida shall prevail (without regard to, and without giving effect to, the application of Florida conflict of law rules).

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Agreement.

GUARANTOR(S)

(Seal)

Signed: _____
(In his/her individual capacity)

Name: _____

Address: _____

(Seal)

Signed: _____
(In his/her individual capacity)

Name: _____

Address: _____

(Seal)

Signed: _____
(In his/her individual capacity)

Name: _____

Address: _____

**BFK FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT**

APPENDIX C

DIRECT DEBIT AUTHORIZATION:

**AUTHORIZATION TO HONOR ELECTRONIC FUNDS TRANSFERS DRAWN BY
AND PAYABLE TO:**

BFK FRANCHISE COMPANY, LLC

FULL NAME OF BANK: _____

BANK PHONE NUMBER _____

BANK BRANCH LOCATION: _____

BANK ADDRESS: _____

CITY, STATE, ZIP: _____

BANK ACCOUNT IN THE NAME OF: _____

BANK ROUTING NUMBER: _____

BANK ACCOUNT NUMBER: _____

Until further written notice by me, I authorize BFK FRANCHISE COMPANY, LLC, to debit the account described above for payment of the 7% royalty fees that I have agreed to pay to BFK FRANCHISE COMPANY, LLC, on a weekly basis.

Date _____

Signature of Franchisee: _____

Name of Franchisee: _____

Address of Franchisee: _____

Please complete this form and **attach a voided check.**

**BFK FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT**

**APPENDIX D
NO PROMISES ACKNOWLEDGEMENT**

I, _____ have been informed by **BFK Franchise Company, LLC**, realize and acknowledge that the business venture contemplated by this Agreement involves business risks and its success or failure will be largely dependent upon my abilities in operating and managing the BUSINESS. Except to the extent expressly disclosed in the **BFK Franchise Company, LLC** Franchise Disclosure Document, neither Franchisor nor anyone acting or purporting to act on behalf of Franchisor has made any promises or warranties, expressed or implied, as to Franchisee's potential sales, profits or success. As to those issues, I have made my own investigation and evaluation.

FRANCHISEE:

By _____ (Date)

**BFK FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT
APPENDIX E**

HOSTED SOFTWARE LICENSE AGREEMENT

This Hosted Software License Agreement (the "**Agreement**") is made and effective this ____ day of ____, 201__, by and between Leap Ahead Learning Company, a Florida Corporation, having a principal place of business at 183 Parkside Dr., Saint Augustine, Florida 32095 USA ("**Developer**"), and _____, [a resident of/ residents of/ a limited liability company, corporation, or company organized in] _____ ("**Licensee**").

RECITALS

WHEREAS Developer has developed and licenses to users its online hosted software program (the "**Franchise Management Tool**" or "**FMT**" or the "**Hosted Software**") that includes a CRM (Customer Relation Management) module with roles to be used in conjunction with the software development efforts exercised by Developer to build a customized infrastructure that manages Franchise accounts, instructors, location of services and records and tracks attendance and payments for each Franchise account;

WHEREAS Developer shall provide technical and marketing expertise to Licensee in the formation of the site ("Hosted Site") where the Hosted Software shall be accessed, including a structured path specific to the needs of Licensee's developmental efforts;

WHEREAS Licensee desires to utilize the Hosted Software for his/her internal use.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, Developer and Licensee agree as follows:

1. License

Developer hereby grants to Licensee a perpetual, non-exclusive, limited license to use Developer's Hosted Software as set forth in this Agreement.

2. Restrictions

Licensee shall not modify, copy, duplicate, reproduce, license or sublicense the Hosted Software or transfer or convey the Hosted Software or any right in the Hosted Software to any party without the prior written consent of Developer.

3. Fee

In consideration for the grant of the license and the use of the Hosted Software, Licensee agrees to pay Developer a one-time start-up fee of \$250 and a monthly user fee (the "user fee") of \$75. This monthly user fee may increase from time to time, but will never exceed \$100 per month. Payment of the license fee shall be made upon delivery of the Hosted Software. Payment of any other amount owed by Licensee to Developer pursuant to this Agreement shall be paid within seven (7) days following the electronic invoice issued via PayPal from Developer. In the event any overdue amount owed by Licensee is not paid following ten (10) days written or electronic notice from Developer, the Developer may restrict the Licensee from gaining access to the Hosted Software system.

4. Payment

Upon execution of this Agreement, Licensee shall be issued a link to establish the PayPal virtual account in which Developer shall establish recurring monthly invoices for the FMT user fee. The virtual invoice, issued via PayPal each month on the date that the PayPal virtual account was established, shall be paid within seven (7) days following invoice from the Developer. In the event any overdue amount owed by Licensee is not paid following ten (10) days written or electronic notice from Developer, the Developer may restrict the Licensee from gaining access to the Hosted Software system.

5. Warranty of Title

Developer hereby represents and warrants to Licensee that Developer is the owner of the Hosted Software or otherwise has the right to grant to Licensee the rights set forth in this Agreement. In the event of any breach or threatened breach of the foregoing representation and warranty, Licensee's sole remedy shall be to require Developer to either: i) procure, at Developer's expense, the right to use the Hosted Software, ii) replace the Hosted Software or any part thereof that is in breach and replace it with Hosted Software of comparable functionality that does not cause any breach, or iii) refund to Licensee the full amount of the license fee.

6. Warranty of Functionality

Developer warrants that the Hosted Software shall perform in all material respects according to the Developer's specifications when used with the appropriate computer equipment. In the event of any breach or alleged breach of this warranty, Licensee shall promptly notify Developer. Licensee's sole remedy shall be that Developer shall correct the Hosted Software so that it operates according to the warranty. This warranty shall not apply to the Hosted Software if modified by anyone or if used improperly or in an operating environment not approved by Developer. Developer makes no guarantee or warranty as to the profitability of the Hosted Software.

7. Hosted Software Maintenance

Developer shall:

- A. Provide to Licensee any new, corrected or enhanced version of the Hosted Software as created by Developer (if any). Such enhancements shall include all modifications to the Hosted Software, which increases the speed, efficiency or ease of use of the Hosted Software.
- B. Provide up to one hour of trouble shooting assistance per month, Monday through Friday, 9:00 a.m. through 5:00 p.m. EST at no expense to Licensee. Additional trouble shooting beyond one hour per month shall be billed to Licensee at a rate of \$95 per hour.
- C. Perform all quality checks, testing, debugging and attempt to identify any programming problems.

8. Responsibilities of Licensee

Licensee shall:

- A. Provide all required technical information as it relates to Site's platform and the integration of the Hosted software provided by Developer.
- B. Provide adequate access to Licensee's technical and marketing resources.

9. Warranty Disclaimer

DEVELOPER'S WARRANTIES SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

10. Limitation of Liability

Developer shall not be responsible for and shall not pay any amount of incidental, consequential or other indirect damages, whether based on lost revenue or otherwise, regardless of whether Developer was advised of the possibility of such losses in advance. In no event shall Developer's liability hereunder exceed the amount of license fees paid by Licensee, regardless of whether Licensee's claim is based on contract, tort, strict liability and product liability or otherwise.

11. Notice

Any notice required by this Agreement or given in connection with it, shall be in writing and shall be given to the appropriate party by personal delivery or by certified mail, postage prepaid or recognized overnight delivery services.

If to Developer:

Leap Ahead Learning Company
183 Parkside Drive
Saint Augustine, Florida 32095
USA

If to Licensee:

12. Governing Law

This Agreement shall be construed and enforced in accordance with the laws of the state of Florida, the United States of America.

13. No Assignment

Neither this Agreement nor any interest in this Agreement may be assigned by Licensee without the prior express written approval of Developer.

14. Final Agreement

This Agreement terminates and supersedes all prior understandings or Agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

15. Severability

If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

16. Headings

Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

17. Termination of Agreement

Upon termination of this Agreement, Licensee shall return all proprietary materials including, but not limited to, all copies of the Operations Manual, and any other documentation supplied by Developer to Licensee, and Licensee agrees to pay all accrued fees incurred directly by Licensee within fifteen (15) days of termination.

IN WITNESS WHEREOF, Developer and Licensee have executed this Hosted Software License Agreement on the day and year first above written.

LEAP AHEAD LEARNING COMPANY:

By _____ (Date) _____

Its _____

LICENSEE:

By _____ (Date) _____
Name

Its _____

By _____ (Date) _____
Name

Its _____

APPENDIX F

ADDENDUM TO BRICKS 4 KIDZ® FRANCHISE AGREEMENT FOR BRICKS 4 BIZ™ SERVICES

THIS ADDENDUM TO BRICKS 4 KIDZ® FRANCHISE AGREEMENT FOR BRICKS 4 BIZ™ SERVICES ("Addendum") is made as of the ____ day of _____, 20__, by and between BFK FRANCHISE COMPANY LLC, a Nevada limited liability company having its principal place of business at 701 Market Street, Suite 113, St. Augustine, Florida 32095 (referred to in this Addendum as "**Franchisor**," "**we**," "**us**," or "**our**"), _____ a [resident of], [corporation organized in], [limited liability company organized in] _____ having offices at _____ (referred to in this Addendum as "**Franchisee**," or "**you**"), and the Guarantors listed on the signature page to this Addendum.

Preliminary Statement. Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement"), whereby Franchisee has purchased and been granted a franchise for a BRICKS 4 KIDZ® BUSINESS. The Franchise Agreement provides for the election by Franchisee to conduct classes and provide programs in the field of team-building and development to children older than 13 years of age and to adults (collectively, the "B4B Services") under Franchisor's service mark "Bricks 4 Biz™" (the "B4B Mark"). Franchisee desires to provide B4B Services, and Franchisor desires to allow Franchisee the right to provide B4B Services, under the terms and conditions of this Addendum.

In consideration of the premises, and for other good and valuable consideration, Franchisor and Franchisee hereby agree as follows:

1. Capitalized Terms. Capitalized terms not defined in this Addendum but defined in the Franchise Agreement and used in this Addendum will have the same respective meanings as provided in the Franchise Agreement, unless clearly otherwise defined in this Addendum.

2. Franchisor's System Etc. Franchisor's "SYSTEM" will be deemed to include Franchisor's unique system relating to the establishment, development and operation of a Bricks 4 Biz™ business (the "B4B Business") offering B4B Services. The "Proprietary Marks" will be deemed to include all trademarks and service marks designating the B4B Business, including the B4B Mark (collectively, the "B4B Trademarks"). Except as otherwise specifically noted in this Addendum, the terms of the Franchise Agreement, including any and all exhibits and addenda to the Franchise Agreement, will apply to the B4B Business.

3. Proprietary Marks. Franchisee acknowledges that Section 10 of the Franchise Agreement also governs B4B Trademarks, which during the term of this Addendum will be

considered “Proprietary Marks” under the Franchise Agreement. Franchisee also acknowledges and agrees that no Proprietary Marks other than B4B Trademarks or other trademarks or service marks specified by Franchisor will be used in the marketing, promotion, or identification of the B4B Services and the operation of the B4B Business, except with Franchisor’s prior written consent.

4. Training; No Training Fee. Prior to Franchisee providing B4B Services, Franchisee acknowledges that, in addition to entering into this Addendum with Franchisor, Franchisee must attend Franchisor’s three (3) hour training course specifically tailored towards providing B4B Services, which is to be conducted at 701 Market Street, Suite 113, St. Augustine, Florida 32095, or some other location designated by Franchisor. Such B4B training course will be in addition to the training provided under the Franchise Agreement. In the event that Franchisee enters into this Addendum, it will be provided the B4B training course during, but, more likely than not, at the end of, the four (4) day training program conducted by Franchisor with respect to the BRICKS 4 KIDZ® BUSINESS. There will be no training fee charged by Franchisor for providing the three (3) hour training course relating to B4B Services.

5. Provision of B4B Services; No Additional Franchise Fee. Franchisee will have the right, subject to Franchisee’s continued compliance with the terms and conditions provided in the Franchise Agreement and this Addendum, to provide B4B Services under the B4B Trademarks. No additional franchisee fee is required for the B4B Business.

6. No Defined or Protected Territory. Franchisee is not restricted as to the geographical location that it provides B4B Services (i.e., as to B4B Services only, Franchisee is not restricted to the Protected Territory). Franchisee will not be provided a protected territory for the B4B Business. The Protected Territory provided under the Franchise Agreement will not apply to the B4B Business.

7. Obligations of Franchisor.

(a) Manual. Franchisor will loan to Franchisee, subject to the confidentiality provisions of the Franchise Agreement, a Bricks 4 Biz Team Building Program Handbook, for the purpose of providing guidance in the methods and techniques of providing B4B Services.

(b) Additional Training and On-Going Assistance. As provided in Section 4 above, Franchisor will provide Franchisee an additional three (3) hour training course relating to B4B Services. Franchisor may from time to time furnish Franchisee such business information and literature as Franchisor determines may be helpful in improving the operations of the B4B Business. Franchisor will advise Franchisee of new developments and improvements in the SYSTEM relating to the B4B Business and offer to Franchisee, services, facilities, rights and privileges substantially similar to those generally offered to other franchisees in that have been provided the right of a B4B Business. In the event that Franchisee replaces its Designated Manager, Franchisor will require that the replacement Designated Manager complete the three (3) hour training course relating to the B4B Business, in addition to the training required under the

Franchise Agreement, at Franchisor's training location or other location designated by Franchisor at Franchisee's expense.

(c) **Franchise Management Tool.** Franchisee is required to maintain all bookkeeping and record keeping for the B4B Business online using the FMT. No additional monthly support fee will be charged Franchisee for use of the FMT relating to the B4B Business.

8. Royalty Fees. Except as specifically provided otherwise in this Section 8, Franchisee acknowledges that Section 6 of the Franchise Agreement also governs the B4B Business. For each Accounting Period, during the term of this Addendum, Franchisee will pay to Franchisor Royalty Fees in the amount of seven percent (7%) of Gross Weekly Receipts for B4B Services, for each Accounting Period; but will not be subject to a minimum royalty fee for the B4B Services. Franchisee will provide to Franchisor for each Accounting Period, in writing (or electronically), a report of its Gross Weekly Receipts for the immediately preceding Accounting Period, as it relates to the B4B Business. The Royalty Fees for B4B Services will be paid by Franchisee in the same manner as required under the Franchise Agreement.

9. Marketing Fee. For each Accounting Period during the term of this Addendum, the Marketing Fee will apply to the B4B Gross Weekly Receipts in the same manner as required under the Franchise Agreement. The Marketing Fee will be paid by Franchisee in the same manner as required under the Franchise Agreement.

10. Term. Unless earlier terminated under the terms of Section 11 of this Addendum, this Addendum will be effective on the date listed above and will remain in effect until termination (for any reason) or expiration of the Franchise Agreement. Upon the termination or expiration of the term of this Addendum or any extension, Franchisee must cease offering the B4B Services in accordance with the post-termination obligations of Franchisee under the Franchise Agreement.

11. Early Termination. This Addendum may be terminated by Franchisor, with or without a termination of the Franchise Agreement: (a) if Franchisee breaches any provision of this Addendum, provided, however, state laws might apply which will supersede this provision; or (b) if Franchisee is in default of the Franchise Agreement and fails to cure such default under the terms of the Franchise Agreement; or (c) if Franchisor determines it to be in the best interests of Franchisor and its franchise system to discontinue the sale of the B4B Services, in which case termination will be effective ninety (90) days after notice from Franchisor.

12. Marketing and Advertising for B4B Services. Franchisee will use only designated marketing materials as provided to Franchisee by Franchisor, and not produce any of its own marketing materials unless given written approval to do so, with respect to marketing the B4B Services. At no time will Franchisee display or use in any manner any of the B4B Trademarks in the offer or sale of any other products or services without written permission of Franchisor.

13. Covenant Not to Compete. Franchisee acknowledges that the B4B Business is a competitive business for purposes of the restrictive covenants provided in the Franchise Agreement, and will be subject to the provisions of Section 16 of the Franchise Agreement.

14. Inconsistent Terms. To the extent that the terms of this Addendum are inconsistent with the Franchise Agreement, the terms of this Addendum will prevail in connection with the implementation of the B4B Business and the provision of the B4B Services and supersede any inconsistent terms in the Franchise Agreement. Except as so modified, with respect to the B4B Business, all other terms and conditions of the Franchise Agreement will govern and be in full force and effect between Franchisor and Franchisee.

15. Signing in Counterparts. For the convenience of the parties, this Addendum may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same document. Telefacsimile or email transmissions of any executed original and/or retransmission of any executed telefacsimile or email transmission will be deemed to be the same as the delivery of an executed original. At the request of any party to this Addendum, the other parties to this Addendum will confirm telefacsimile or email transmissions by executing duplicate original documents and delivering the same to the requesting party or parties.

IN WITNESS WHEREOF, this Addendum to the Franchise Agreement is hereby executed by an authorized representative of each party to this Addendum as of the date first above written.

FRANCHISOR: BFK FRANCHISE COMPANY, LLC

By _____

(Date)

Its _____

FRANCHISEE:

By _____

(Date)

EXHIBIT C

LIST OF CURRENT FRANCHISEES

<u>FRANCHISEE</u>	<u>PHONE #</u>	<u>EMAIL</u>	<u>STATE</u>
Beth Hellebrand	(256) 303-8851	bhellebrand@bricks4kidz.com	Alabama
Carla & Kevin Czarnota	(256) 722-9183	czarnota@bricks4kidz.com	Alabama
Joy Wade	(205) 547-0336	jwade@bricks4kidz.com	Alabama
Kim Lawson	(205) 310-9694	klawson@bricks4kidz.com	Alabama
Lorry Smith	(251) 300-4796	lsmith@bricks4kidz.com	Alabama
Keith Denton	(334) 803-6882	kdenton@bricks4kidz.com	Alabama
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Jenny & Paul Ahn

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Valerie Couderc

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John Wolf	(651) 769-0947	Minnesota
Pam Fahrenkopf		Missouri
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Milissa Pavlik		Pennsylvania
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Pam Davis		Texas
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Edd McCommon	(806) 433-6869	Texas
Michalyn Porter		Texas
Jess Jensen		Utah
Aaron Escamilla	(801) 637-6418	Utah
Robin Frazier	(757) 925-9917	Virginia
Jessica Filosa	(757) 301-9710	Virginia

EXHIBIT D

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EXHIBIT E

LIST OF STATE ADMINISTRATORS

State offices administering franchise disclosure laws:

California:

California Department of Business
Oversight
One Sansome Street, Suite 600
San Francisco, California 94104-4428
(415) 972-8565

Michigan:

Consumer Protection Division
Franchise Section
P.O. Box 30213
Lansing, Michigan 48909
(517) 373-7117

Hawaii:

Franchise & Securities Division
State Department of Commerce
P.O. Box 40
Honolulu, Hawaii 96813
(808) 586-2722

Minnesota:

Franchise Division
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(651) 296-4026

Illinois:

Franchise Division
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

New York:

Franchise & Securities Division
State Department of Law
120 Broadway, 23rd Floor
New York, NY 10271
(212) 416-8211

Indiana:

Franchise Division
Office of Secretary of State
302 West Washington Street
Room E111
Indianapolis, Indiana 46204
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North Dakota:

Franchise Division
Office of Securities Commissioner
600 East Boulevard, 5th Floor
Bismarck, North Dakota 58505
(701) 328-2910

Maryland:

Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

Oregon:

Corporate Securities Section
Department of Insurance & Finance
Labor & Industries Building
Salem, Oregon 97310
(501) 378-4387

Rhode Island:

Franchise Office
Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex- Building
69-1
Cranston, Rhode Island 02920
(401) 222-3048

South Dakota:

Department of Labor & Regulation
Division of Securities
124 South Euclid, Suite 104
Pierre, SD 57501
(605) 773-4823

Virginia:

Franchise Office
State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9051

Washington:

The Department of Financial
Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

Wisconsin:

Franchise Office
Wisconsin Securities Commission
P.O. Box 1768
Madison, Wisconsin 53701
(608) 266-3364

The Address of the United States Federal
Trade Commission is:

Federal Trade Commission
Washington D.C. 20580

EXHIBIT F

LIST OF AGENTS FOR SERVICE OF PROCESS

Our agents for service of process are as follows:

California:

California Commissioner of Business
Oversight
1390 Market Street
Suite 800
San Francisco, California 94102

Hawaii:

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813
(808) 586-2744

Illinois:

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-1090

Indiana:

Indiana Secretary of State
201 State House
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Indianapolis, Indiana 46204
(317) 232-6531

Maryland:

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

Michigan:

Michigan Department of Commerce,
Corporations and Securities Bureau
6546 Mercantile Way
Lansing, Michigan 48910
(517) 334-6212

Minnesota:

Minnesota Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(651) 296-4026

New York:

New York Secretary of State
41 State Street
Albany, New York 12231
(518) 473-2492

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600 East Boulevard, Fifth Floor
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Director of Oregon Department of Insurance
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700 Summer Street, N.E.
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Rhode Island:

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Regulation
Division of Securities
1511 Pontiac Avenue
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Cranston, Rhode Island 02920
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Division of Securities
124 South Euclid, Suite 104
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(605) 773-4823

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State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9733

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Securities Administrator
Washington State Department of Financial
Institutions
General Admin Building
210 11th Avenue, S.W.
Olympia, Washington 98504
(360) 902-8760

Wisconsin:

Wisconsin Commissioner of Securities
345 West Washington Street, 4th Floor
Madison, Wisconsin 53703

**Our Agent for Service of Process for all
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Attn: B. Edward Stutsman, Esq.
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Jacksonville, Florida 32202

EXHIBIT G

STATE SPECIFIC DISCLOSURES AND STATE SPECIFIC ADDENDA TO AGREEMENTS

General

These states have statutes which may supersede the franchise agreement in your relationship with Us including the areas of termination and renewal of your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e *et seq.*], DELAWARE [Code, Tit. 6, Chap. 25, Section 2551 *et seq.*], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [ILCS 705/1-44], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1 – 523H.17], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Section 37-5B], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions that may supersede the franchise agreement in your relationship with us including the areas of termination and renewal of your franchise.

Some states have statutes that limit our ability to restrict your activity after the franchise agreement has ended. Other states have court decisions limiting our ability to restrict your activity after the franchise agreement has ended.

A provision in the franchise agreement that terminates the franchise upon your bankruptcy may not be enforceable under Title 11, United States Code.

**ADDENDUM TO THE BFK FRANCHISE COMPANY LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CALIFORNIA**

(Applies only to California franchisees)

The Franchise Disclosure Document is amended for use in the State of California as follows:

In recognition of the requirements of the California Investment Law, California Corporations Code, Division 5, Parts 1 through 6, Sections 31000 through 31516, the Uniform Franchise Disclosure Document for BFK Franchise Company LLC, for use in the State of California is amended to include the following:

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.

2. IN ADDITION TO THE INFORMATION IN ITEM 3 OF THE DISCLOSURE DOCUMENT, NEITHER THE FRANCHISOR NOR ANY PERSON OR FRANCHISE BROKER LISTED IN ITEM 2 OR EXHIBIT J OF THE DISCLOSURE DOCUMENT IS SUBJECT TO ANY CURRENTLY EFFECTIVE ORDER OF ANY NATIONAL SECURITIES ASSOCIATION OR NATIONAL SECURITIES EXCHANGE, AS DEFINED IN THE SECURITIES EXCHANGE ACT OF 1934, 15 USCA 78(a), ET SEQ., SUSPENDING OR EXPELLING SUCH PERSONS FROM MEMBERSHIP IN SUCH ASSOCIATION OR EXCHANGE.

3. THE FOLLOWING PARAGRAPHS ARE AN ADDITION TO THE DISCLOSURE CONTAINED IN ITEM 17 OF THE DISCLOSURE DOCUMENT.

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

(b) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 USCA Sec. 101, et seq.).

(c) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the Franchise. This provision may not be enforceable under California Law.

(d) The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

(e) The Franchise Agreement requires application of the laws of Florida. This provision may not be enforceable under California law.

(f) You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

(g) Section 31125 of the California Corporations Code requires the Franchisor to give the Franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to solicitation of a proposed material modification of an existing franchise.

(h) Californian Franchise Registration Section 310.114.1 (c) (5) (B) (iv) - The franchise agreement requires binding arbitration. The arbitration will occur in St. Johns County, Florida, with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and professions Code Section 20040.5, code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum.

The ULR address for the BRICKS 4 KIDZ BUSINESS website is www.brick4kidz.com . OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT www.corp.ca.gov.

BFK FRANCHISE COMPANY LLC

Prospective Franchise Owner

Signed _____

Signed _____

Title _____

Title _____

Date _____

Date _____

**ADDENDUM TO THE BFK FRANCHISE COMPANY LLC
FRANCHISE DISCLOSURE DOCUMENT
DISCLOSURES REQUIRED BY THE STATE OF HAWAII**

(Applies only to Hawaii franchisees)

If your Licensed Business will be in Hawaii, You will not pay your Initial Fee to Us until your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have your bank verify that you have sufficient funds available at the time we sign the Agreement. The only condition on your obligation to pay the Initial Fee is that we must complete all of Our material pre-opening obligations to you.

**ADDENDUM TO THE BFK FRANCHISE COMPANY LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ILLINOIS**

(Applies only to Illinois franchisees)

The Franchise Disclosure Document and the Franchise Agreement are amended for use in the State of Illinois as follows:

SECTION 22 OF FRANCHISE AGREEMENT: CHOICE OF LAW

Section 4 of the Illinois Franchise Disclosure Act of 1987 provides as follows:

Jurisdiction and venue. Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of this State is void, provided that a franchise agreement may provide for arbitration in a forum outside of this State.

The Illinois Attorney General's Office has taken the position that the foregoing provision applies to the choice of which state's law shall govern this Agreement. Accordingly, the Franchise Agreement is hereby amended by adding the following as subsection 22.d. thereto:

- “d. To the extent that Section 22 of this Agreement conflicts with or is unenforceable under Section 4 of the Illinois Franchise Disclosure Act of 1987, the provisions of said Section 4 shall apply.”

Illinois law is deemed to govern the Franchise Agreement, and the jurisdiction and venue for all litigation under the Franchise Agreement will be in Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides for the following:

“Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United State Code.”

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

BFK FRANCHISE COMPANY LLC

Prospective Franchise Owner

Signed _____

Signed _____

Title _____

Title _____

Date _____

Date _____

**ADDENDUM TO THE BFK FRANCHISE COMPANY LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND**

(Applies only to Maryland franchisees)

The Maryland Franchise Registration and Disclosure Law, COMAR 02.02.08.16L, provides that, as a condition of the sale of a franchise, we may not require you to agree to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability under the Franchise Registration and Disclosure Law. Item 17 of the Franchise Disclosure Document is amended by adding: any general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement and Franchise Disclosure Document shall be deemed amended so that no release, assignment, novation, waiver or estoppel is required if it would violate the Maryland Franchise Registration and Disclosure Law. Nothing in the Franchise Agreement, including any acknowledgments or representations, shall be deemed a release or waiver of any right or obligation under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the Franchise Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

Item 17 of the Franchise Disclosure Document and Sections 17 and 22 of the Franchise Agreement are amended by adding: "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

Section 22 of the Franchise Agreement is amended to provide as follows: "Any lawsuit permitted under the Maryland Franchise Registration and Disclosure Law shall be brought in the federal or state courts located in the State of Maryland." Item 17 is hereby amended by adding the identical language in the "summary" column of line v.

BFK FRANCHISE COMPANY LLC

Prospective Franchise Owner

Signed _____

Signed _____

Title _____

Title _____

Date _____

Date _____

**ADDENDUM TO THE BFK FRANCHISE COMPANY LLC
FRANCHISE DISCLOSURE DOCUMENT
DISCLOSURES REQUIRED BY THE STATE OF MINNESOTA**

(Applies only to Minnesota franchisees)

The Franchise Disclosure Document is amended for use in the State of Minnesota 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 Franchise 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 the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. §80C.214, Subds. 3, 4, and 5 which require, except in certain specified cases, that we give you 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the franchise agreement.

We will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name, to the extent required by Minn. Stat. §80C.12, Subd. 1(g).

To the extent governed by Minn. Rule 2860.4400J, you shall not be deemed to have waived any rights under Minnesota law. You shall not be deemed to have consented to us obtaining injunctive relief, although we may seek injunctive relief. A Court or the arbitrators shall determine whether to require a bond as a condition of injunctive relief.

BFK FRANCHISE COMPANY LLC

Prospective Franchise Owner

Signed _____

Signed _____

Title _____

Title _____

Date _____

Date _____

**ADDENDUM TO THE BFK FRANCHISE COMPANY LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK**

(Applies only to New York franchisees)

The Franchise Disclosure Document is amended for use in the State of New York as follows:

In recognition of the requirements of the New York Franchise Law, Article 33 of the General Business Law of the State of New York, the Franchise Disclosure Document for BFK Franchise Company LLC for use in the State of New York is amended to include the following:

1. New York Cover Page.

REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE IN THIS PROSPECTUS.

2. Litigation. Item 3 of the Disclosure Document is amended by adding the following:

Except for any cases disclosed in the body of the Disclosure Document:

Neither the Franchisor, its predecessor, a person identified in Item 2 or an affiliate offering franchises under the Franchisor's principal trademarks:

- A. Has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations; or any pending action, 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.
- B. 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.

- C. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. Bankruptcy. Item 4 of the Disclosure Document is amended by adding the following:

Except as may be disclosed in Item 4 of the Disclosure Document, neither Franchisor nor any predecessor, officer or general partner of the Franchisor has, during the fifteen (15) year period immediately preceding the date of the Disclosure Document, been adjudged bankrupt or reorganized due to insolvency or was a principal officer of any company or general partner in any partnership that was adjudged bankrupt or reorganized due to insolvency, during or within one (1) year after the period that such officer or general partner of the Franchisor held such position in such company or partnership and no such bankruptcy has been commenced.

4. Initial Franchise Fee. Item 5 of the Disclosure Document is amended by adding the following:

The initial franchise fee may, in part, be profit to us, and is, in part, used to pay our following expenses and costs: (1) employee salaries and benefits; (2) sales, administrative and operating expenses; (3) legal and accounting fees; (4) expenses of technical assistance, service and support; (5) protection of our trademarks; (6) other operational expenses incurred by us relating to franchising.

5. Renewal, Termination, Transfer and Dispute Resolution. Item 17 of the Disclosure Document is amended by adding the following:

Assignment of contract by us--No assignment of our rights in the Franchise Agreement will be made by us except to an assignee that, in our good faith and judgment, is willing and able to assume our duties under the Franchise Agreement.

Choice of law--The choice of law provision, which requires application of Florida laws, will not be considered a waiver of your rights under Article 33 of the General Business Law of the State of New York.

Modification of agreements--Revisions to the operations manual will not unreasonable affect your obligations, including economic requirements, under the Franchise Agreement.

6. Each provision of this Addendum to the Disclosure Document is effective only to the extent, with respect to such provisions, that the jurisdictional requirements of the New York Franchise Law are met independently without reference to this Addendum to the Disclosure Document.

BFK FRANCHISE COMPANY LLC

Prospective Franchise Owner

Signed _____

Signed _____

Title _____

Title _____

Date _____

Date _____

**ADDENDUM TO THE BFK FRANCHISE COMPANY LLC
FRANCHISE DISCLOSURE DOCUMENT
DISCLOSURES REQUIRED BY NORTH CAROLINA LAW**

(Applies only to North Carolina franchisees)

The State of North Carolina does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this Disclosure Document has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

**ADDENDUM TO THE BFK FRANCHISE COMPANY LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY RHODE ISLAND LAW**

(Applies only to Rhode Island franchisees)

The Franchise Disclosure Document is amended for use in the State of Rhode Island as follows:

Item 17 is amended by adding the following: Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.

If your Licensed Business will be in Rhode Island, You will not pay your Initial Fee to Us until your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have your bank verify that you have sufficient funds available at the time we sign the Franchise Agreement. The only condition on your obligation to pay the Initial Fee is that we must complete all of our material pre-opening obligations to you.

BFK FRANCHISE COMPANY LLC

Prospective Franchise Owner

Signed _____

Signed _____

Title _____

Title _____

Date _____

Date _____

**ADDENDUM TO THE BFK FRANCHISE COMPANY LLC
FRANCHISE DISCLOSURE DOCUMENT
DISCLOSURES REQUIRED BY SOUTH CAROLINA LAW**

(Applies only to South Carolina franchisees)

The State of South Carolina does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this Disclosure Document has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

**ADDENDUM TO THE BFK FRANCHISE COMPANY LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF VIRGINIA**

(Applies only to Virginia franchisees)

The Franchise Disclosure Document is amended for use in the State of Virginia as follows:

Item 17 of the Franchise Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for BFK Franchise Company, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

In accordance with Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

BFK FRANCHISE COMPANY LLC

Prospective Franchise Owner

Signed _____

Signed _____

Title _____

Title _____

Date _____

Date _____

ADDENDUM TO THE BFK FRANCHISE COMPANY LLC
FRANCHISE DISCLOSURE DOCUMENT
WASHINGTON FRANCHISE AGREEMENT ADDENDUM

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

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

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

BFK FRANCHISE COMPANY LLC

Prospective Franchise Owner

Signed _____

Signed _____

Title _____

Title _____

Date _____

Date _____

**ADDENDUM TO THE BFK FRANCHISE COMPANY LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF WISCONSIN**

(Applies only to Wisconsin franchisees)

The Franchise Disclosure Document is amended for use in the State of Wisconsin as follows:

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

CHAPTER 135, STATS., WISCONSIN FAIR DEALERSHIP LAW, SUPERSEDES ANY PROVISION OF THE FRANCHISEE'S FRANCHISE AGREEMENT OR ANY OTHER AGREEMENT INCONSISTENT WITH THAT LAW.

Wisconsin Fair Dealership Law. Ch. 135, Stats. the Wisconsin Fair Dealership Law, supersedes any provision of the Franchise Agreement or any other agreement inconsistent with that Law.

BFK FRANCHISE COMPANY LLC

Prospective Franchise Owner

Signed _____

Signed _____

Title _____

Title _____

Date _____

Date _____

EXHIBIT H

BFK FRANCHISE COMPANY LLC FRANCHISE DISCLOSURE DOCUMENT RECEIPT (copy 1)

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all Exhibits carefully.

If BFK FRANCHISE COMPANY LLC offers you a franchise, it must provide this Disclosure Document to you fourteen (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. If BFK FRANCHISE COMPANY LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, C.C. 20580 and your state agency.

The name, principal business address, and telephone number of each franchise seller offering the franchise are as follows: (i) Jeff Ball, 711 Beach Boulevard, #1223, Jacksonville Beach, Florida 32250 and (407) 506-6239, (ii) Thomas Heninger, 3948 3rd Street South #331, Jacksonville Beach, Florida 32250 and (800) 840-5363, (iii) Craig Pfeffer, 14679 Village Glen Circle, Tampa, Florida 33618 and (813) 962-8032, and (iv) Sheri Williams, 8116 South Tryon Street, Suite B3-137, Charlotte, North Carolina 28273 and (919) 827-7246.

I have received a Franchise Disclosure Document, issuance date January 16, 2015. This Disclosure Document includes the following Exhibits:

- A. FINANCIAL STATEMENTS [Audited for fiscal year ended September 30, 2012, 2013, and 2014]
- B. FRANCHISE AGREEMENT
- C. LIST OF CURRENT FRANCHISEES
- D. TABLE OF CONTENTS OF OPERATIONS MANUAL
- E. LIST OF STATE ADMINISTRATORS
- F. LIST OF AGENTS FOR SERVICE OF PROCESS
- G. STATE SPECIFIC DISCLOSURES AND SPECIFIC ADDENDA TO AGREEMENTS
- H. FRANCHISE DISCLOSURE DOCUMENT RECEIPT

Date: _____

Franchisee: _____ Franchisee: _____
(Print Name) (Sign Name)

Telephone Number: _____

Complete Below for a Partnership or Corporation:

Name: _____ Title: _____

Name of Company: _____ Address: _____

EXHIBIT H

BFK FRANCHISE COMPANY, LLC FRANCHISE DISCLOSURE DOCUMENT RECEIPT (copy 2)

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all Exhibits carefully.

If BFK FRANCHISE COMPANY LLC offers you a franchise, it must provide this Disclosure Document to you fourteen (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. If BFK FRANCHISE COMPANY LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, C.C. 20580 and your state agency.

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- F. LIST OF AGENTS FOR SERVICE OF PROCESS
- G. STATE SPECIFIC DISCLOSURES AND SPECIFIC ADDENDA TO AGREEMENTS
- H. FRANCHISE DISCLOSURE DOCUMENT RECEIPT

Date: _____

Franchisee: _____ Franchisee: _____
(Print Name) (Sign Name)

Telephone Number: _____

Complete Below for a Partnership or Corporation:

Name: _____ Title: _____

Name of Company: _____ Address: _____