corporate and individual capacities including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of Franchisee's interest herein or to the transfer of Franchisee's ownership of all or any part of the Franchise; provided, however, that if a general release is prohibited, Franchisee shall give the maximum release allowed by Applicable Law:

- 18.2.4 The prospective transferee has satisfied Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require, in its sole discretion, to demonstrate ability to conduct the Franchised Center;
- 18.2.5 The transferee and, if Franchisor requires, all persons owning any interest in the transferee, have executed the then-current Franchise Agreement for new franchisees, which may be substantially different from this Agreement, including different Monthly Royalty Fee and Marketing Fund Contribution rates and other material provisions, and the Franchise Agreement then executed shall be for the term specified in such agreement;
- 18.2.6 The transferee has executed a general release, in substantially the form attached as Exhibit A hereto, of any and all claims against Franchisor and its officers, directors, shareholders, managers, members, partners, owners and employees, in their corporate and individual capacities, with respect to any representations regarding the Franchise, the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee;
- 18.2.7 Franchisee has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the prospective transferee relating to the intended sale or transfer of the Franchise;
- 18.2.8 Franchisee, or the transferee, has paid to Franchisor a transfer fee in the amount of FIVE THOUSAND DOLLARS (\$5,000.00);
- 18.2.9 The transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term;
- 18.2.10 Franchisee has agreed to be bound by the terms of the new Franchise Agreement and to guarantee the full performance thereunder by the transferee, if required by Franchisor;
- 18.2.11 The transferee has obtained all necessary consents and approvals by third parties (such as the lessor of the Approved Location) and has complied with Applicable Laws in connection with the transfer;
- 18.2.12 Franchisee has, and if Franchisee is an entity, all of the holders of a legal and beneficial interest in Franchisee have executed and delivered to Franchisor a non-disclosure and non-competition agreement in a form satisfactory to Franchisor and in substance substantially the same as the non-disclosure and non-competition covenants contained in Sections 7 and 17 hereof; and
- 18.2.13 The transferee agrees that its Director shall complete, to Franchisor's satisfaction, a training program in substance similar to the initial training described in Section 8.1 prior to assuming the management of the day-to-day operations and affairs of the Franchised Center.

18.3 Transfer to a Controlled Entity

- 18.3.1 If Franchisee wishes to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by Franchisee ("Controlled Entity"), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:
- 18.3.1.1 The Controlled Entity is newly organized and its charter provides that its activities are confined exclusively to the operation of the Franchised Center;
- 18.3.1.2 Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;
- 18.3.1.3 All obligations of Franchisee to Franchisor are fully paid and satisfied; provided, however, that neither Franchisee nor the transferee shall be required to pay a transfer fee as required pursuant to Section 18.2.8;
- 18.3.1.4 The Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised Center. If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor;
- 18.3.1.5 All holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement;
- 18.3.1.6 Each stock certificate or other evidence of ownership interest of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and
- 18.3.1.7 Copies of the Controlled Entity's articles of incorporation, bylaws, operating agreement, and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption.
- 18.3.2 The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.
- 18.3.3 Franchisor's consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised Center, shall not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.

18.4 Franchisor's Disclosure to Transferee

Franchisor shall have the right, without liability of any kind or nature whatsoever to Franchisee, to make available for inspection by any intended transferee of Franchisee all or any part of Franchisor's records relating to this Agreement, the Franchised Center or to the history of the relationship between the parties hereto. Franchisee hereby specifically consents to such disclosure by Franchisor and shall release and hold Franchisor harmless from and against any and all claims, losses, injuries or damages resulting from an inspection of Franchisor's records relating to the Franchised Center by an intended transferee identified by Franchisee.

18.5 For-Sale Advertising

Franchisee shall not, without the prior written consent of Franchisor, place in, on or upon the location of the Franchised Center, or in any communication media, any form of advertising relating to the sale of the Franchised Center or the rights granted hereunder.

18.6 Transfer by Death or Incapacity

Upon the death or Incapacity of Franchisee or any holder of a legal or beneficial interest in Franchisee, the appropriate representative of such person (whether administrator, personal representative or trustee) will, within a reasonable time not exceeding one hundred eighty (180) days following such event, transfer such individual's interest in the Franchised Center or in Franchisee to a third party approved by Franchisor. Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and transfers contained in this Agreement. During such one hundred eighty (180) day period, the Franchised Center must remain at all times under the primary management of a Director who otherwise meets Franchisor's management qualifications.

19. RIGHT OF FIRST REFUSAL

19.1 Submission of Offer

If Franchisee, or any of its owners, proposes to sell the Franchised Center (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder, Franchisee shall obtain and deliver a *bona fide*, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to Franchisor. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of Franchisee or any of its owners.

19.2 Franchisor's Right to Purchase

Franchisor shall have, for thirty (30) days from the date of delivery of all documents under Section 19.1, the right, exercisable by written notice to Franchisee, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to Franchisee. Franchisor shall have the right to substitute cash for the fair market value of any form of payment proposed in such offer. Franchisor's credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to Franchisee of Franchisor's intent to exercise this right of first refusal, Franchisor shall have up to sixty (60) days to close the purchase. Franchisor shall be entitled to receive from Franchisee all customary representations and warranties given by Franchisee as the seller of the assets or such ownership interest or, at Franchisor's election, such representations and warranties contained in the proposal.

19.3 Non-Exercise of Right of First Refusal

If Franchisor does not exercise this right of first refusal within thirty (30) days, the offer or proposal may be accepted by Franchisee or any of its owners, subject to Franchisor's prior written approval as required by Section 18.2. Should the sale fail to close within one hundred twenty (120) days after the offer is delivered to Franchisor's right of first refusal shall renew and be implemented in accordance with this Section 19.

20. BENEFICIAL OWNERS OF FRANCHISEE

Franchisee represents and warrants to Franchisor, and Franchisor enters into this Agreement in reliance upon such representation and warranty, that the individuals identified in Exhibit D hereto as Holders of a Legal or Beneficial Interest in Franchisee, are the sole holders of a legal or beneficial interest (in the stated proportions) of Franchisee.

21. RELATIONSHIP AND INDEMNIFICATION

21.1 Relationship

This Agreement does not appoint or make Franchisee an agent, legal representative, joint venturer, partner, employee, servant or independent contractor of Franchisor for any purpose whatsoever. Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor, and Franchisee is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. During the Initial Term and any Renewal Term of this Agreement, Franchisee shall hold itself out to the public only as a franchisee and an owner of the Franchised Center operating the Franchised Center pursuant to a Franchise from Franchisor. Franchisee shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Approved Location and on all forms, stationery or other written materials, the content of which Franchisor has the right to specify. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt or any other obligation of Franchisee. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Center. Any third party contractors and vendors retained by Franchisee to convert or construct the premises are independent contractors of Franchisee alone.

21.2 Indemnification

Franchisee shall hold harmless and indemnify Franchisor, all holders of a legal or beneficial interest in Franchisor, and all of their respective officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon Franchisee's (a) ownership or operation of the Franchised Center, (b) violation, breach or asserted violation or breach of Applicable Laws; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Franchisee and Franchisor; (d) defamation of Franchisor or the System; (e) acts, errors or omissions committed or incurred in connection with the Franchised Center, including any negligent or intentional acts; or (f) infringement, violation or alleged infringement or violation of any of the Marks, the Copyrighted Materials, or patent rights of Franchisor or any misuse of the Confidential Information.

21.3 Right to Retain Counsel

Franchisee shall give Franchisor immediate notice of any such action, suit, demand, claim, investigation or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnitee. Franchisor shall have the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, Franchisor's reputation or the goodwill of others, Franchisor shall have the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in Franchisor's sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If Franchisor's exercise of its rights under this Section 21.3 causes any of Franchisee's insurers to refuse to pay a third party claim, all cause of action and legal remedies Franchisee has or may have against such insurer shall automatically be assigned to Franchisor without the need for any further action on either party's part. Under no circumstances shall Franchisor be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against

Franchisee. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by Franchiser from Franchisee.

22. GENERAL CONDITIONS AND PROVISIONS

22.1 No Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by Franchisor and shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisee of any payment or payments due shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

22.2 Injunctive Relief

As any breach by Franchisee of any of the restrictions contained in Sections 6, 7 and 17 would result in irreparable injury to Franchisor, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, Franchisor shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated.

22.3 Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; (c) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five (5) business days after being sent by Registered Mail, return receipt requested. Either party may change its address by a written notice sent in accordance with this Section 22.3. All notices, payments and reports required by this Agreement shall be sent to Franchisor at the following address:

JEI SELF-LEARNING SYSTEMS, INC. Attn: Brian Moon, Managing Director 4221 Wilshire Blvd., Ste. 224 Los Angeles, California 90010

22.4 Cost of Enforcement or Defense

If Franchisor or Franchisee is required to enforce this Agreement in a judicial or arbitration proceeding, the prevailing party shall be entitled to reimbursement of its costs, including reasonable accounting and attorneys' fees, in connection with such proceeding.

22.5 Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Franchisee of five percent (5%) or greater shall be required to execute, as of the date of this Agreement, the Guaranty and Assumption of Obligations attached as Exhibit C hereto, through which such holders agree to assume and discharge all of Franchisee's obligations under this Agreement and to be personally liable hereunder for all of the same.

22.6 Approvals

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor and, except as otherwise provided herein, any approval or consent granted shall be effective only if given in writing by Franchisor. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

22.7 Entire Agreement

This Agreement, its exhibits and the documents referred to herein shall be construed together and constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof and shall supersede all prior agreements. No other representation, oral or otherwise, has induced Franchisee to execute this Agreement, and there are no representations (other than those within Franchisor's Uniform Franchise Offering Circular), inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with respect to the matters set forth in or contemplated by this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties.

22.8 Severability and Modification

22.8.1 Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Agreement, Franchisor has the right to, at its option, terminate this Agreement.

22.8.2 Notwithstanding the above, each of the covenants contained in Sections 7 and 17 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Confidential Information or on competition to the maximum extent provided or permitted by law.

22.9 Construction

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

22.10 Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement.

22.11 Timing

Except as set forth in Section 22.10, failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

22.12 Withholding Payments

Franchisee shall not, for any reason, withhold payment of any Monthly Royalty Fees, Marketing Fund Contributions or other amounts due to Franchisor. Franchisee shall not withhold or offset any amounts, damages or other monies allegedly due to Franchisee against any amounts due to Franchisor. No endorsement or statement on any payment for less than the full amount due to Franchisor shall be construed as an acknowledgment of payment in full, or an accord and satisfaction, and Franchisor shall have the right to accept and cash any such payment without prejudice to Franchisor's right to recover the full amount due, or pursue any other remedy provided in this Agreement or by Applicable Law. Franchisor shall have the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Franchisor deems appropriate. Franchisor shall set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor.

22.13 Further Assurances

Each party to this Agreement shall execute and deliver such further instruments, contracts, forms or other documents, and shall perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

22.14 <u>Duty of Reasonableness and of Good Faith</u>

To honor the intent and purpose of this Agreement, and of any of the documents referenced herein, both Franchisor and Franchisee shall act reasonably and in good faith. If the consent of either party is required or contemplated hereunder, the party whose consent is required shall not unreasonably withhold consent, unless such consent is expressly subject to such party's sole discretion pursuant to the terms of this Agreement.

22.15 Third-Party Beneficiaries

Notwithstanding anything to the contrary contained herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

22.16 Multiple Originals

Both parties shall execute multiple copies of this Agreement, and each executed copy shall be deemed an original.

22.17 Choice of Law

Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 et seq.), as amended, or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of California without reference to its conflict of laws principles; provided, however, that if the Franchised Center is not located in the State of California and Franchisee is not a resident of, or domiciled in the State of California, the provisions of any California law regulating the sale of franchises and governing the relationship between a franchisor and franchisee shall not apply to this Agreement or the Franchise relationship created hereby, unless the jurisdictional requirements of such California laws are met independently without reference to this Section 22.17. The Federal Arbitration Act shall govern all matters subject to arbitration pursuant to Section

24 hereof. References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

22.18 Consent to Jurisdiction

Any action brought by either party, except those claims required to be submitted to arbitration pursuant to Section 23 hereof, shall be brought in the appropriate state or federal court located in or serving Los Angeles County, California. Franchisor and Franchisee waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. The parties hereby submit to service of process by registered mail, return receipt requested or by any other manner provided by law. Claims for injunctive relief may be brought by Franchisor where Franchisee is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards pursuant to Section 23 in any appropriate jurisdiction.

22.19 Cumulative Rights and Remedies

No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy. Nothing contained herein shall bar Franchisor's right to obtain injunctive relief against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

22.20 Limitations of Claims

Any claim concerning the Franchised Center or this Agreement or any related agreement will be barred unless an action for a claim is commenced within one (1) year from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim.

22.21 Limitations of Damages

Franchisee and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and attorneys' fees as provided in Section 22.4. Franchisee waives and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Agreement or any related agreement. In any claim or action brought by Franchisee against Franchisor concerning this Agreement, Franchisee's contract damages shall not exceed and shall be limited to refund of Franchisee's Franchise Fee and Royalty Fee payments.

22.22 Waiver of Jury Trial

FRANCHISEE AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM UNDER THIS AGREEMENT.

22.23 Electronic Notices, Waivers and Amendments

For purposes of providing notices required or permitted by this Agreement, waiving any right under this Agreement, or amending any term of this Agreement and notwithstanding any law recognizing electronic

signatures or records, "a writing signed," "in writing" and words of similar meaning, shall mean only a writing in a tangible form bearing an actual "wet" signature in ink manually applied by the person authorized by the respective party, unless both parties agree otherwise by making a specific reference to this Section 22.23.

23. ARBITRATION

This Agreement evidences a transaction involving commerce and, therefore, the Federal Arbitration Act, Title 9 of the United States Code is applicable to the subject matter contained herein. Except for controversies or claims relating to the ownership of any of the Marks or Copyrighted Materials or the unauthorized use or disclosure of Franchisor's Confidential Information and except for claims for injunctive relief, all disputes arising out of or relating to this Agreement or to any other agreements between the parties, or with regard to interpretation, formation or breach of this Agreement or any other agreement between the parties, shall be settled by binding arbitration conducted in Los Angeles County, California, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator agreed upon by the parties or otherwise appointed by the District Court for the State of California and located in Los Angeles County, California. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

Franchisee acknowledges that it has read the terms of this binding arbitration provision and affirms that this provision is entered into willingly and voluntarily and without any fraud, duress or undue influence on the part of Franchisor or any of Franchisor's agents or employees.

24. ACKNOWLEDGMENTS

24.1 Receipt of this Agreement and the Uniform Franchise Offering Circular

Franchisee represents and acknowledges that it has received, read and understands this Agreement and Franchisor's Uniform Franchise Offering Circular; and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement. Franchisee represents and acknowledges that it has received an exact copy of this Agreement and its exhibits at least five (5) business days prior to the date on which this Agreement was executed. Franchisee further represents and acknowledges that it has received, at least ten (10) business days prior to the date on which this Agreement was executed, the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures.

24.2 Consultation by Franchisee

Franchisee represents that it has been urged to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. Franchisee represents that it has either consulted with such advisors or has deliberately declined to do so.

24.3 True and Accurate Information

Franchisee represents that all information set forth in any and all applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, and Franchisee acknowledges that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

24.4 Risk

Franchisee represents that it has conducted an independent investigation of the business contemplated by this Agreement and acknowledges that, like any other business, an investment in a JEI Self-Learning Center involves business risks and that the success of the venture is dependent, among other factors, upon the business abilities and efforts of Franchisee. Franchisor makes no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated hereby.

24.5 No Guarantee of Success

Franchisee represents and acknowledges that it has not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Franchised Center. Franchisee represents and acknowledges that there have been no representations by Franchisor's directors, employees or agents that are not contained in, or are inconsistent with, the statements made in Franchisor's Uniform Franchise Offering Circular or this Agreement.

24.6 No Violation of Other Agreements

Franchisee represents that its execution of this Agreement will not violate any other agreement or commitment to which Franchisee or any holder of a legal or beneficial interest in Franchisee is a party.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

JEI SELF-LEARNING SYSTEMS, INC.:

Ву:	
Name:	
Title:	
FRANCHISEE:(type/print name)	
(сурегрин наше)	
Ву:	_
Name:	_
Title:	
[or] [if an individual]	
Signed:	
Name printed:	

EXHIBIT A TO THE FRANCHISE AGREEMENT

GENERAL RELEASE

THIS GENERAL RELEASE is made and given on this day of, 20 by
limited hability company/partnership with a principal address of
, in consideration of:
the execution by JEI SELF-LEARNING SYSTEMS, INC. ("RELEASEE") of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise") granted to RELEASOR by RELEASEE pursuant to that certain Franchise Agreement (the "Franchise Agreement") between RELEASOR and RELEASEE; or
RELEASEE'S consent to RELEASOR'S assignment of its rights and duties under the
Franchise Agreement; or
RELEASEE'S consent to RELEASOR'S assumption of rights and duties under the Franchise Agreement; or
RELEASEE'S refund of fifty percent (50%) of the Franchise Fee RELEASOR paid to RELEASEE,
and other good and valuable consideration, and accordingly RELEASOR hereby releases and discharges RELEASEE. RELEASEE'S officers, directors, shareholders and employees (in their corporate and individual capacities), and RELEASEE'S successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR'S heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.
This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR.
IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written.
RELEASOR:
(type/print name) By:
Name:
Title:
(or, if an individual)
Signed:
Name printed:

ACKNOWLEDGMENT

State of)	
) ss	
County of)	
On this day of	, 20 before me personally came	known to me to be
the same person whose nam	e is signed to the foregoing General Release, an	nd acknowledged the execution thereof
for the uses and purposes the	rein set forth, [and who did swear and say that he	e/she is the
(title) of		(company name), and he/she has
the authority to execute said		
IN WITNESS WHEREOF,	have hereunto set my hand and official seal.	
•	(NOT	ARIAL SEAL)
Notary Public		•
My Commission expires:		

EXHIBIT B TO THE FRANCHISE AGREEMENT

NONDISCLOSURE AND NON-COMPETITION AGREEMENT

This "Agreement" made as of theday of, 200, by and between, ("Franchisee") (d/b/a a JEI Self-Learning Center Franchise) and ("Individual").
WITNESSETH:
WHEREAS, Franchisee is a party to that certain Franchise Agreement dated
WHEREAS, Franchisee desires Individual to have access to and/or to review certain confidential materials which are more particularly described below; and
WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement prior to providing Individual access to said confidential materials; and
WHEREAS, Individual agrees not to disclose any such information to any other party and/or use sucinformation to compete against Company, Franchisee or any other franchisee of Company in the same and/or similar business ("Competitive Business") now or in the future.
NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, an intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Proprietary Information

- a) Individual understands Franchisee possesses and will possess Proprietary Information, which is important to its business. For purposes of this Agreement, "Proprietary Information" is information that was or will be developed, created, or discovered by or on behalf of Franchisee, or which became or will become known by, or was or is conveyed to Franchisee, and which has commercial value in Franchisee's business. "Proprietary Information" includes, but is not limited to, operation manual(s), information about trade secrets, computer programs, designs, technology, ideas, know-how, processes, formulas, compositions, data, techniques, improvements, inventions (whether patentable or not), works of authorship, business and product development plans, other information concerning Franchisee's actual or anticipated business, research or development related to the JEI Self-Learning Centers System and/or any of Franchisee's other business operations or procedures. Any information expressly designated by Company as "Proprietary Information" shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of his or her obligations hereunder in respect of information otherwise constituting Proprietary Information. Individual understands Franchisee's providing of access to the confidential information creates a relationship of confidence and trust between Individual and Franchisee with respect to the Proprietary Information.
- b) Individual understands that Franchisee possesses or will possess "Franchise Materials" that are important to its business. "Franchise Materials" are documents or other media or tangible items that contain or embody Proprietary Information or any other information concerning the business, operations or plans of the Franchise, whether such documents have been prepared by Individual or by others. "Franchise Materials" include, but are not limited to, blueprints, drawings, designs, photographs, charts, graphs, notebooks, student lists, computer disks, tapes or printouts, sound recordings and other printed, typewritten or handwritten documents, as well as samples, prototypes, models, products and the like.

2. Confidentiality/Non-Disclosure

- a) Individual agrees not to communicate or divulge to, (or use for the benefit of himself or herself), any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any information, including, but not limited to, any operation manual(s), trademarks, trade names, patents, inventions, discoveries, improvements, processes, formulae, apparatus, equipment, methods, trade secrets, research, secret data, or other confidential matters developed, possessed, owned, or used by Franchisee, the discovery, development or knowledge of which is known to or acquired by Individual by reason of his or her meeting with, and/or participation in the business and affairs of, or as a result of his or her association with, or which may be revealed to him or her by Franchisee.
- b) Individual agrees that his or her obligations under paragraph 2(a) of this Agreement shall continue in effect after termination of Individual's relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisee is entitled to communicate Individual's obligations under this Agreement to any future student, client or employer to the extent deemed necessary by Franchisee for protection of its rights hereunder and regardless of whether Individual or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in the JEI Self-Learning Centers System.

3. Non-Competition

- a) Individual agrees that for a period of two (2) years hereafter, Individual shall not, directly or indirectly, carry on, be engaged in or take part in, render services to, or own or share in the earnings of any Competitive Business anywhere within: (1) twenty-five (25) miles of the premises of Franchisee's JEI Self-Learning Center located at:_________; or (2) twenty-five (25) miles of any JEI Self-Learning Center without the express written consent of Franchisee.
- b) "Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business which offers) children's education the same as or similar to those provided by JEI Self-Learning Centers franchises or in which Confidential Information could be used to the disadvantage of Company or its other franchisees; provided, however, that the term "Competitive Business" shall not apply to (a) any business operated under a Franchise Agreement with Company, or (b) any business operated by a publicly held entity in which Individual owns less than a five percent (5%) legal or beneficial interest.

4. Miscellaneous

- a) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.
- b) Individual agrees that if one (1) or more provisions of this Agreement are held to be illegal or unenforceable under Applicable Law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms. Individual also agrees to reimburse Franchisee for any and all costs and attorney fees incurred by Franchisee in the enforcement of the terms of this Agreement.
- c) This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns.

authorized officer of Fra	inclusee.
	The failure of either party to insist in any one (1) or more instances upon performance ins of this Agreement shall not be construed a waiver of future performance of any such ten of this Agreement and the obligations of either party with respect thereto shall continue in fi
f) signed by both parties.	No amendments or additions to this Agreement shall be binding unless in writing a
g) affect, or be used in cor	The paragraph headings in this Agreement are included solely for convenience and shall a mection with, the interpretation of this Agreement.
h) the remaining parts he were not a part hereof.	In the event that any part of this Agreement shall be held to be unenforceable or invalereof shall nevertheless continue to be valid and enforceable as though the invalid portion
AND UNDERSTAN	DS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOU
RESERVATION. NOTION TO INDUCE THE SI IN WITNESS authorized officer, and	O PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSONING OF THIS AGREEMENT. S WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its described by the description of the provided by the description of the description of the provided by the provided by the description of the provided by the
RESERVATION. NOTICE THE SI IN WITNESS authorized officer, and	O PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSONNING OF THIS AGREEMENT. S WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its defindividual has executed this Agreement, all being done in duplicate originals with one
RESERVATION. NOTO INDUCE THE SI IN WITNESS authorized officer, and original being delivered	O PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSO GNING OF THIS AGREEMENT. SWHEREOF, Franchisee has hereunto caused this Agreement to be executed by its de Individual has executed this Agreement, all being done in duplicate originals with one d to each party as of the day and year first above written.
RESERVATION. NOTO INDUCE THE SI IN WITNESS authorized officer, and original being delivered	O PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSO GNING OF THIS AGREEMENT. S WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its de Individual has executed this Agreement, all being done in duplicate originals with one deto each party as of the day and year first above written. Franchisee
RESERVATION. NOTO INDUCE THE SI IN WITNESS authorized officer, and original being delivered	O PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSONNING OF THIS AGREEMENT. SWHEREOF, Franchisee has hereunto caused this Agreement to be executed by its definitional has executed this Agreement, all being done in duplicate originals with one did to each party as of the day and year first above written. Franchisee By:
RESERVATION. NOTO INDUCE THE SI IN WITNESS authorized officer, and original being delivered	S WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its did Individual has executed this Agreement, all being done in duplicate originals with one of to each party as of the day and year first above written. Franchisee By:

.

EXHIBIT C TO THE FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION C	OF OBLIGATIONS is given this day of, 20
herewith ("Agreement") by JEI SELF-LEARNING S	o, the execution of that certain Franchise Agreement of even date SYSTEMS, INC. ("Franchisor"), each of the undersigned hereby sor and its successors and assigns, for the term of the Agreement
("Franchisee") shall punctually pay and perform each Agreement. Each of the undersigned shall be personany provision in the Agreement, including those relative taking specific actions or engaging in specific active Agreement. Each of the undersigned waives: (a) accoundertakings; (b) notice of demand for payment of guaranteed; (c) protest and notice of default to any probligations hereby guaranteed; (d) any right it may be	h and every undertaking, agreement and covenant set forth in the nally bound by, and personally liable for, Franchisee's breach of ing to monetary obligations and obligations to take or refrain from vities, such as those contemplated by Sections 7 and 17 of the ceptance and notice of acceptance by Franchisor of the foregoing any indebtedness or non-performance of any obligations hereby party with respect to the indebtedness or non-performance of any ave to require that an action be brought against Franchisee or any d all other notices and legal or equitable defenses to which it may
shall be joint and several; (b) it shall render any paym. Franchisee fails or refuses punctually to do so; (c) suc Franchisor of any remedies against Franchisee or a relieved or otherwise affected by any extension of time grant to Franchisee or to any other person include.	es that: (a) its direct and immediate liability under this Guaranty ent or performance required under the Agreement upon demand it ch liability shall not be contingent or conditioned upon pursuit by my other person; and (d) such liability shall not be diminished ne, credit or other indulgence which Franchisor may from time to ding, without limitation, the acceptance of any partial payment or claims, none of which shall in any way modify or amend this during the term of the Agreement.
IN WITNESS WHEREOF, this Guaranty ha	as been entered into the day and year first before written.
PERSONAL GUARANTOR	PERSONAL GUARANTOR
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
Personally and Individually (Signature)	Personally and Individually (Signature)
HOME ADDRESS	HOME ADDRESS
TELEPHONE NO.: PERCENTAGE OF OWNERSHIP	TELEPHONE NO.: PERCENTAGE OF OWNERSHIP

IN FRANCHISEE:_____%

IN FRANCHISEE:_____%

PERSONAL GUARANTOR	PERSONAL GUARANTOR
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
Personally and Individually (Signature)	Personally and Individually (Signature)
HOME ADDRESS	HOME ADDRESS
TELEPHONE NO.: PERCENTAGE OF OWNERSHIP	TELEPHONE NO.: PERCENTAGE OF OWNERSHIP
IN FRANCHISEE:%	IN FRANCHISEE:%
PERSONAL GUARANTOR	PERSONAL GUARANTOR
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
Personally and Individually (Signature)	Personally and Individually (Signature)
HOME ADDRESS	HOME ADDRESS
TELEPHONE NO.:	TELEPHONE NO.:
PERCENTAGE OF OWNERSHIP	PERCENTAGE OF OWNERSHIP
IN FRANCHISEE:%	IN FRANCHISEE:%

EXHIBIT D TO THE FRANCHISE AGREEMENT

HOLDERS OF LEGAL OR BENEFICIAL INTEREST IN FRANCHISEE; OFFICERS; DIRECTORS

Holders of Legal or Beneficial Interest	Percentage of Ownership	Position/Title
Officers and Directors	Position/Title	
		

EXHIBIT E TO THE FRANCHISE AGREEMENT

RENEWAL AGREEMENT

JEI SELF-LEARNING SYSTEMS, INC.

FRANCHISE RENEWAL AGREEMENT

This	Renewal Agreement (this "Renewal Agreement") made this day of, 20, is by and
		a corporation, having its principal place of business at
4221 Wilshir	e Blvd., Suite 224, Los Angeles, California 9001	0 ("Franchisor"), and
		_, an individual/partnership/corporation/limited
liability comp		and whose principal address is
		("Franchisee").
	WITNESS	ETH:
,	20 (the "Franchise Agreement") pursuan	ered into that certain Franchise Agreement dated t to which Franchisor granted to Franchisee, and
		able, limited, nonexclusive license to operate one (1)
	,	System, the Marks, the Copyrighted Materials and the
Proprietary P	roducts; and	
	EREAS, the Term of the Franchise Term expires on, 20 (the "Expirate	Agreement was for a period of five (5) years, which ion Date"); and
five (5) years		w the Franchise Agreement for an additional term of ation Date pursuant to the same terms and conditions as
NON	W. THEREFORE. in consideration of the mu	tual promises, covenants and agreements set forth
	and other good and valuable consideration, Fran	chisor and Franchisee, intending to be legally bound,
1. DEI	FINITIONS	
Cap Agreement as		have the meanings ascribed to them in the Franchise
2. REN	NEWAL	
accordingly,		in Section 4.2 of the Franchise Agreement and Franchise Agreement upon the terms and conditions encing on the Expiration Date.

3. FEES

In connection with the execution of this Renewal Agreement and the renewal of the Franchise, Franchisee shall not be required to pay Franchisor a renewal fee.

4. MISCELLANEOUS

- a) This Agreement, the Franchise Agreement and any exhibit or other documents herein or therein shall be construed together and constitute the entire, full and complete agreement between Franchisor and Franchisee with respect to the subject matter hereof and shall supersede all prior agreements.
- b) This Agreement can only be modified by a subsequent written agreement between Franchisor and Franchisee.
- c) No amendments or additions to this Agreement shall be binding unless in writing and signed by both parties.
- d) The paragraph headings in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.
- e) In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Renewal Agreement.

JEI SELF-LEARNING SYSTEMS, INC.:

By:
Name:
Title:
FRANCHISEE:(type/print name)
Ву:
Name:
Title:
[or] [if an individual]
Signed:
Name printed:

EXHIBIT F TO THE FRANCHISE AGREEMENT

INITIAL INVENTORY

- I. Workbooks
 - A. Math A-M
 - B. English A-J
- II. Workbook Sample
 - A. Math
 - B. English
- III. Leaflets
- IV. Items
 - A. Center Form Binder
 - B. Advertisement Kit
 - C. CI/BI Guidebook
 - D. Learning Chart (Math / English)
 - E. Outline (Math / English)
 - F. Registration Form

EXHIBIT G TO THE FRANCHISE AGREEMENT

MULTI-STATE ADDENDA

ADDENDUM TO THE FRANCHISE AGREEMENT JEI SELF-LEARNING SYSTEMS, INC.

FOR THE STA	TE OF CALIFORNIA				
SELF-LEARNIN	Idendum to the Franchise Agreement is agree NG SYSTEMS, INC. andto amend and revise said Fra				_, between JEI
1. §§31000-3516 ar	In recognition of the requirements of the Cond the California Franchise Relations Act, Care I SELF-LEARNING SYSTEMS, INC. shall be	alifornia Frai l. Bus. And I	nchise Investm Prof. Code §§2	ent Law, Ca	al. Corp. Code , the Franchise
•	The California Franchise Relations Act p termination or non-renewal of the Franchise athe Franchise Agreement, specifically Section	Agreement, w	hich may supe	chisee conc rsede provis	cerning ions in
•	Section 17.2 of the Franchise Agreement con beyond the expiration or termination of enforceable under California Law.	tains a coven the Agreeme	ant not to compent; this cove	pete which e nant may i	extends not be
•	Section 16.2.1.11 of the Franchise Agreeme upon the bankruptcy of Franchisee may not (11 U.S.C. Section 101, et seq.).	nt which terr be enforceal	ninates the Fra ole under feder	anchise Agre ral bankrupt	eement cy law
•	New Section 17.6 shall be inserted into the Fi	ranchise Agre	ement and stat	es as follow:	s:
	If termination is the result of Franchisee's lump sum payment (as liquidated damages Agreement and not as a penalty) equal to the twenty-four (24) calendar months of open default; (b) the period of time Franchisee less than twenty-four (24) calendar month month basis; or (c) any shorter period as termination. The parties agree that a precise that Franchisor will incur on termination of default is difficult and the parties desire ce sum payment provided under this Section premature termination that Franchisor will other remedies that Franchisor may have income	for causing to total of all I ration of Frances been in one is, projected as equals the endication of this Agree retainty in this is reasonable incur. This	he premature Royalty Fee panchisee preceperation preceon a twenty-investigation of the full extended t	termination yments for: ding Francleding the no four (24) carm at the tient of the dallt of Franclegree that the tamaget exclusive	of this (a) the hisee's tice, if alendar time of umages hisee's e lump ges for
•	The Franchise Agreement requires litigation the State of California. This provision migarising under California law.	to be condu ht not be enf	cted in a court orceable for a	located out ny cause of	side of action
•	The Franchise Agreement requires application This provision might not be enforceable und			er than Cali	fornia.
•	This Addendum contains a liquidated dan Section 1671, certain liquidated damages cla	nages clause auses are une	. Under Cali nforceable.	fornia Civil	Code
•	Section 22.23 of the Franchise Agreement will occur at the forum indicated in Section prevailing party. Prospective franchisees determine the applicability of California Professions Code Section 20040.5, Code Federal Arbitration Act) to any provisions to a forum outside of the State of California.	22.18 with t are encoura and federa of Civil Pr of the Franch	he costs being ged to consul I laws (such ocedure Secti	borne by the legal cours as Busines on 1281 as	ne non- nsel to ss and nd the
this Addendum.	Each provision of this Addendum shall be the California Investment Law and/or the Cali To the extent this Addendum shall be deem greement or exhibits or attachments thereto, t	fornia Franch ed to be inco	ise Relations and insistent with a	Act are met any terms or	independent of r conditions of
IN WITNESS Wand consents to l	HEREOF, each of the undersigned hereby accept bound by all of its terms.	knowledges	having read th	is Addendui	m, understands
JEI SELF-LEAR	NING SYSTEMS, INC.:	Franchisee:_			
Ву:		Ву:			

Title:

FOR THE STATE OF HAWAII

This Addendum to the SELF-LEARNING SYSTEMS,		eed to this day of, 20, betw	æen JEI
		Franchise Agreement as follows:	
		Hawaii Franchise Investment Law, Hawaii Innent for JEI SELF-LEARNING SYSTEMS, INC.	
termination a specifically S	and transfer of the Franchise Sections 4.2 and 16 contain a	ovides rights to you concerning non-renewal, e Agreement. If the Agreement, and more provision that is inconsistent with the Hawaii chise Investment Law will control.	
renewal and	-	e to sign a general release as a condition of release shall exclude claims arising under the	
upon the ban	_	ent which terminates the Franchise Agreement y not be enforceable under federal bankruptcy	
requirements of the Hawaii Fra	anchise Investment Law are m be inconsistent with any terms	pe effective only to the extent that the jurisd net independent of this Addendum. To the extent is or conditions of said Franchise Agreement or earn.	ent this
IN WITNESS WHEREOF, each and consents to be bound by all	-	cknowledges having read this Addendum, unde	rstands
JEI SELF-LEARNING SYSTE	MS, INC.:	Franchisee:	
By:	<u> </u>	Ву:	
Title		Title	

FOR THE STATE OF ILLINOIS

	Addendum to the Franchise Agreement is ING SYSTEMS, INC. and	agreed to this day of, 20, between JEI
	to amend and revise	said Franchise Agreement as follows:
l. Franchise Agree	In recognition of the requirements of ement for JEI SELF-LEARNING SYSTEM	the Illinois Franchise Disclosure Act, 815 ILCS 705, the MS, INC. shall be amended as follows:
-	Section 16 of the Franchise Agreement	shall be amended to add:
	upon non-renewal, as well as the appl	hise Agreement can be terminated and your rights lication by which you must bring any claims, may Disclosure Act, 815 ILCS 705/19 and 705/20.
•	Section 22.20 of the Franchise Agreeme	ent shall be amended to add:
	No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after the Franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or ninety (90) days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.	
 Section 22.17 of the Franchise Agreement shall be amended to add: 		ent shall be amended to add:
	litigations shall be in Illinois. Any	verned by Illinois law. Jurisdiction and venue for court provision in the Franchise Agreement that designates de the State is void, provided that a Franchise Agreement outside of Illinois.
•		nt shall be amended to include a 14 calendar day minimum a binding agreement or any payment to the Franchisor.
Addendum shall	f the Illinois Franchise Disclosure Act are	all be effective only to the extent that the jurisdictional e met independent of this Addendum. To the extent this erms or conditions of said Franchise Agreement or exhibits govern.
	WHEREOF, each of the undersigned here be bound by all of its terms.	by acknowledges having read this Addendum, understands
JEI SELF-LEA	RNING SYSTEMS, INC.:	Franchisee:
Ву:		Ву:
Titler		Trut .

FOR THE STATE OF INDIANA

This Addendum to the Franchise Agreement SELF-LEARNING SYSTEMS, INC. and	is agreed to this day of, 20, between JEI
•	se said Franchise Agreement as follows:
	of the Indiana Deceptive Franchise Practices Law, IC 23-2.2.7 -2-2.5, the Franchise Agreement for JEI SELF-LEARNING
•	Franchise Agreement do not provide for a prospective nchisor which may be subject to the Indiana Deceptive na Franchise Disclosure Law.
-	eement is amended to prohibit unlawful unilateral ere is a material violation of the Franchise Agreement
Franchisor for any liability imposed upon or use of procedures or pro	le that Franchisee will not be required to indemnify I upon Franchisor as a result of Franchisee's reliance oducts which were required by Franchisor, if such by Franchisee in the manner required by Franchisor.
	de that in the event of a conflict of law, the Indiana 2.5, and the Indiana Deceptive Franchise Practices Law
 Section 22.23 is amended to provid shall be conducted at a mutually agree 	le that arbitration between Franchisor and Franchisee, eed upon location.
requirements of the Indiana Law applicable to the pro	shall be effective only to the extent that the jurisdictional visions are met independent of this Addendum. To the extent with any terms or conditions of said Franchise Agreement or endum shall govern.
IN WITNESS WHEREOF, each of the undersigned h and consents to be bound by all of its terms.	ereby acknowledges having read this Addendum, understands
JEI SELF-LEARNING SYSTEMS, INC.:	Franchisee:
Ву:	Ву:
Title:	

FOR THE STATE OF MARYLAND

	ddendum to the Franchise Agreement is agr	reed to this day of, 20, between JEI
	to amend and revise said Fr	anchise Agreement as follows:
l. Code Ann., Bus. be amended as fo	Reg. §§14-201-14-233, the Franchise Agree	aryland Franchise Registration and Disclosure Law, Md. ment for JEI SELF-LEARNING SYSTEMS, INC. shall
•	•	nisee to sign a general release as a condition of nchise; such release shall exclude claims arising and Disclosure Law.
•	_	nent which terminates the Franchise Agreement ay not be enforceable under federal bankruptcy
•	laws of the State of California; however,	requires that the franchise be governed by the in the event of a conflict of laws to the extent ration and Disclosure Law, the laws of the State
•	conducted in the State of California; the re	Agreement require litigation or arbitration to be equirement shall not limit any rights Franchisee tegistration and Disclosure Law to bring suit in
•	Any claims arising under the Maryland Fra brought within three (3) years after the gran	nchise Registration and Disclosure Law must be t of the franchise.
independent of t	the Maryland Franchise Registration and his Addendum. To the extent this Addendu	be effective only to the extent that the jurisdictional Disclosure Law applicable to the provisions are met in shall be deemed to be inconsistent with any terms or tachments thereto, the terms of this Addendum shall
	VHEREOF, each of the undersigned hereby be bound by all of its terms.	acknowledges having read this Addendum, understands
JEI SELF-LEAI	RNING SYSTEMS, INC.:	Franchisee:
Ву:		Ву:
Title:		Title:

Title:_

FOR THE STATE	OF MINNESOTA	
	ndum to the Franchise Agreement is agr	reed to this day of, 20, between JEI
	to amend and revise said Fr	anchise Agreement as follows:
1. In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the parties to the attached Franchise Agreement agree as follows:		
N re	finnesota Law, the Franchisor will comequires, except in certain specified cases	dd that with respect to franchises governed by ply with the Minnesota Franchise Law which that a Franchisee be given 90 days notice of days notice of non-renewal of the Agreement.
aį	gainst Franchisor which may be subject	e for a prospective general release of any claims to the Minnesota Franchise Law. Minn. Rule tring a franchisee to assent to a general release.
S th m S to	ELF-LEARNING SYSTEMS, INC. will ne defense of your right to use the Mark nanner authorized by JEI SELF-LEAR ELF-LEARNING SYSTEMS, INC. is the organized the defense of the claim include.	as required by Minnesota Franchise Act, JEI reimburse you for any costs incurred by you in as, so long as you were using the Marks in the NING SYSTEMS, INC., and so long as JEI mely notified of the claim and is given the right ing the right to compromise, settle or otherwise or to appeal a final determination of the claim.
co b ai F	oncerning the Franchised Center or this arred unless an arbitration or an actic rbitration is commenced within three (3	ent shall be amended to state that any claim Agreement or any related agreement will be in for a claim that cannot be the subject of) years from the date on which Franchisee or in the exercise of reasonable diligence, of the
• S	ection 22.21 shall be deleted in its entire	y.
li C p	tigation to be conducted outside Mini Circular or Franchise Agreement can ab	860.4400J prohibit Franchisor from requiring nesota. In addition, nothing in the Offering rogate or reduce any of Franchisee's rights as er 80C, or Franchisee's rights to any procedure, as of the jurisdiction.
requirements of the the extent this Ad	Minnesota Franchise Law applicable to t	be effective only to the extent that the jurisdictional he provisions are met independent of this Addendum. To stent with any terms or conditions of said Franchise his Addendum shall govern.
	EREOF, each of the undersigned hereby bound by all of its terms.	acknowledges having read this Addendum understands
JEI SELF-LEARNI	NG SYSTEMS, INC.:	Franchisee:
Ву:		Ву:

Title:

FOR THE STATE OF NEW YORK

	Addendum to the Franchise Agreement is NG SYSTEMS, INC. and	agreed to this day of	, 20, between JEI
		d Franchise Agreement as follows	:
l. 33, §§ 680 thro follows:	In recognition of the requirements of the ugh 695, the Franchise Agreement for JE		
•	Sections 4.1, 8.3 and 18.2.3 require Fr renewal, termination and transfer of the under the General Business Laws.		
•	Under Section 18.1 of the Franchise A rights and obligations under the Franchisor's obligations ut faith judgment, so long as it remains s New York.	hise Agreement unless the transfe nder the Franchise Agreement, in	ree will be able to Franchisor's good
•	Section 21.2 is amended to provide Franchisor for any liability imposed u upon or use of procedures or produ procedures or products were utilized by	pon Franchisor as a result of Franchisor which were required by F	anchisee's reliance ranchisor, if such
this Addendum	Each provision of this Addendum shall be deemed to be inconsistent with chments thereto, the terms of this Addender	visions are met independent of this hany terms or conditions of said	Addendum. To the extent
	WHEREOF, each of the undersigned here be bound by all of its terms.	eby acknowledges having read th	is Addendum, understands
JEI SELF-LEA	RNING SYSTEMS, INC.:	Franchisee:	
Ву:		Ву:	
Tido		Tisla	

FOR THE STATE OF NORTH DAKOTA		
This Addendum to the Franchise Agreement is agreed to this day of, 20, between JEI SELF-LEARNING SYSTEMS, INC. and		
	to amend and revise said Fra	nchise Agreement as follows:
Law, North Dal	mended to be consistent with North Dakota I	n requires that certain provisions contained in the Law, including the North Dakota Franchise Investment 19, Sections 51-19-01 et seq. Such provisions in the
	release upon renewal, termination or transf	ranchise Agreement, the execution of a general fer will be inapplicable to franchises operating at Law to the extent that such a release excludes thise Investment Law.
•	Section 7 of the Franchise Agreement is are enforcement action is entitled to recover all	mended to add that the prevailing party in any costs and expenses including attorneys' fees.
•	Section 17.2 is amended to add that covexpiration of the Franchise Agreement are Dakota except in limited instances as provide	venants not to compete upon termination or generally unenforceable in the State of North ed by law.
•	Sections 17.1.5 and 17.1.6 shall be amended	to state:
	If Franchisor or Franchisee is required to en proceedings, the prevailing party shall be en reasonable accounting and legal fees in conn	nforce this Agreement via judicial or arbitration ntitled to reimbursement of its costs, including nection with such proceeding.
•	New Section 17.6 shall be inserted into the F	ranchise Agreement and states as follows:
	lump sum payment (as liquidated damages Agreement and not as a penalty) equal to the twenty-four (24) calendar months of opedefault; (b) the period of time Franchisee less than twenty-four (24) calendar month month basis; or (c) any shorter period a termination. The parties agree that a precise that Franchisor will incur on termination default is difficult and the parties desire or sum payment provided under this Section	s default, Franchisee will pay to Franchisor as for causing the premature termination of this he total of all Royalty Fee payments for: (a) the cration of Franchisee preceding Franchisee's has been in operation preceding the notice, if hs, projected on a twenty-four (24) calendar as equals the unexpired term at the time of see calculation of the full extent of the damages of this Agreement as a result of Franchisee's certainty in this matter and agree that the lump on is reasonable in light of the damages for lineur. This payment is not exclusive of any including attorneys' fees and costs.
•	Section 22.17 shall be amended to state that Law shall prevail.	in the event of a conflict of laws, North Dakota
•		it is amended to add that any action may be court in North Dakota with respect to claims
•	Section 22.20 of the Franchise Agreement limitations under North Dakota Law will ap	t shall be amended to state that the statute of pply.
•	 Sections 22.21 and 22.22 of the Franchise Agreement shall be deleted in their entireties. 	
•	involving a franchise purchased in North Da	nt shall be amended to state that arbitration akota must be held either in a location mutually f the parties cannot agree on a location, the
extent this Add	the North Dakota Law applicable to the prov	be effective only to the extent that the jurisdiction visions are met independent of this Addendum. To the h any terms or conditions of said Franchise Agreement m shall govern.
	WHEREOF, each of the undersigned hereby a be bound by all of its terms.	acknowledges having read this Addendum, understand
JEI SELF-LEAI	RNING SYSTEMS, INC.:	Franchisee:
By:		Ву:

Title:

Title:

FOR THE STATE OF RHODE ISLAND

		agreed to this day of, 20, between JEI
	to amend and revise said	Franchise Agreement as follows:
1. the Franchise A		The Rhode Island Franchise Investment Act §19-28.1-14, TEMS, INC. shall be amended as follows:
•	•	anchisee to sign a general release as a condition of franchise; such release shall exclude claims arising atment Act.
•	forum outside the state of Rhode Island	ded to state that restricting jurisdiction or venue to a or requiring the application of the laws of another otherwise enforceable under The Rhode Island
extent this Add	f the Rhode Island Law applicable to the	all be effective only to the extent that the jurisdictional provisions are met independent of this Addendum. To the with any terms or conditions of said Franchise Agreement ndum shall govern.
	WHEREOF, each of the undersigned here be bound by all of its terms.	by acknowledges having read this Addendum, understands
JEI SELF-LEA	RNING SYSTEMS, INC.:	Franchisee:
Ву:		Ву:
Title		Title

FOR THE COMMONWEALTH OF VIRGINIA

		agreed to this day of, 20, between JEI
	to amend and revise sa	id Franchise Agreement as follows:
•	-	reement which terminates the Franchise Agreement e may not be enforceable under federal bankruptcy
	WHEREOF, each of the undersigned her be bound by all of its terms.	eby acknowledges having read this Addendum, understands
JEI SELF-LEAI	RNING SYSTEMS, INC.:	Franchisee:
Ву:		Ву:
Title:		Title:

FOR THE STATE OF WASHINGTON

By: By:		NG SYSTEMS, INC. and to amend and revise said Franchise A	Agreement as follows:
concerning non-renewal and termination of the Franchise Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act will control. • Under Sections 4.1, 8.3 and 18.2.6, Franchisee is required to sign a general release as a condition of renewal, termination and transfer of the franchise; such release shall exclude claims arising under the Washington Franchise Investment Protection Act. • Section 22.17 of the Franchise Agreement requires that the franchise be governed by the laws of the State of California; such a requirement may be unenforceable in the event of a conflict with the Washington Franchise Investment Protection Act. In the event of a conflict with the Washington Franchise Investment Protection Act. Chapter 19.100 RCW shall prevail. • Sections 22.18 and 22.23 of the Franchise Agreement requires litigation or arbitration to be conducted in the State of California; the requirement shall not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington. • 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. 2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern. IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum. understands and consents to be bound by all of its terms. Franchisee: By: Provision SySTEMS, INC.: Franchisee	Washington Rev	. Code §§19.100.010 – 19.100.940, the France	-
condition of renewal, termination and transfer of the franchise; such release shall exclude claims arising under the Washington Franchise Investment Protection Act. Section 22.17 of the Franchise Agreement requires that the franchise be governed by the laws of the State of California; such a requirement may be unenforceable in the event of a conflict with the Washington Franchise Investment Protection Act. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail. Sections 22.18 and 22.23 of the Franchise Agreement requires litigation or arbitration to be conducted in the State of California; the requirement shall not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington. 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. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern. IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum. understands and consents to be bound by all of its terms. JEI SELF-LEARNING SYSTEMS, INC.: Franchisee: By: By: By:	•	concerning non-renewal and termination	of the Franchise Agreement. If the Agreement
laws of the State of California; such a requirement may be unenforceable in the event of a conflict with the Washington Franchise Investment Protection Act. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail. Sections 22.18 and 22.23 of the Franchise Agreement requires litigation or arbitration to be conducted in the State of California; the requirement shall not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington. 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. 2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern. IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms. JEI SELF-LEARNING SYSTEMS, INC.: Franchisee: By: By: By: By: By: By: By:	•	condition of renewal, termination and trans	sfer of the franchise; such release shall exclude
conducted in the State of California; the requirement shall not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington. 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. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern. IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum. understands and consents to be bound by all of its terms. JEI SELF-LEARNING SYSTEMS, INC.: Franchisee: By: By: By: By: By:	•	laws of the State of California; such a requ conflict with the Washington Franchise conflict of laws, the provisions of the W	nirement may be unenforceable in the event of a Investment Protection Act. In the event of a
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. 2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern. IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms. JEI SELF-LEARNING SYSTEMS, INC.: Franchisee: By:	•	conducted in the State of California; the r may have under the Washington Franchis	equirement shall not limit any rights Franchisee
estimated or actual costs in effecting a transfer. 2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern. IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms. JEI SELF-LEARNING SYSTEMS, INC.: Franchisee:	٠	period for claims under the Act, rights or	•
requirements of the Washington Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern. IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms. JEI SELF-LEARNING SYSTEMS, INC.: By:	•		•
and consents to be bound by all of its terms. JEI SELF-LEARNING SYSTEMS, INC.: Franchisee:	requirements of extent this Adde	the Washington Law applicable to the provindum shall be deemed to be inconsistent wi	risions are met independent of this Addendum. To the th any terms or conditions of said Franchise Agreement
By: By:			acknowledges having read this Addendum, understands
By:	JEI SELF-LEAR	NING SYSTEMS, INC.:	Franchisee:
	Ву:		
THE.			Title:

FOR THE STATE OF WISCONSIN

	ent is agreed to this day of, 20, between JEI
SELF-LEARNING SYSTEMS, INC. and	
to amend and revise said Fra	anchise Agreement as follows:
1. The Wisconsin Fair Dealership La	w Title XIV-A Ch. 135, Sec. 135.01-135.07 will supersede any
conflicting terms of the Franchise Agreement.	
requirements of the Wisconsin Fair Dealership L	n shall be effective only to the extent that the jurisdictional aw applicable to the provisions are met independent of this deemed to be inconsistent with any terms or conditions of said reto, the terms of this Addendum shall govern.
IN WITNESS WHEREOF, each of the undersigned and consents to be bound by all of its terms.	hereby acknowledges having read this Addendum, understands
JEI SELF-LEARNING SYSTEMS, INC.:	Franchisee:
By:	Ву:
Title:	Title: