

FRANCHISE DISCLOSURE DOCUMENT

Sylvan And SylvanSync

SYLVAN LEARNING, LLC a Delaware limited liability company 1001 Fleet Street Baltimore, MD 21202 (410) 843-8000 franchise@sylvanlearning.com www.sylvanfranchise.com

Sylvan Learning: The franchisee will operate a SYLVAN-branded learning center with a system designed for specialized assessment and teaching of individualized educational programs for children in the principal areas of reading, mathematics, writing and test preparation.

SylvanSync: The franchisee will operate a portable SYLVANSYNC- and SYLVAN-branded learning environment individualized for children, using proprietary SYLVANSYNC computer systems and the Internet, alongside the Sylvan Learning Center business. In addition, the franchisee may carry the SYLVANSYNC system outside of the Sylvan Learning Center to provide services at one or more additional approved short-term or permanent locations in the Territory. The principal areas of instruction are reading and mathematics.

The total investment necessary to begin operation of a Sylvan and SylvanSync business is \$89,368 to \$191,874. This includes \$44,731 to \$50,731 that must be paid to us or an affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Sylvan Learning, LLC, 1001 Fleet Street, Baltimore, Maryland 21202, (410) 843-8000 and ask for the Legal Department.

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

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

The issuance date of this Franchise Disclosure Document is June 22, 2015.

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STATE COVER PAGE

Your state may have a franchise law that requires 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 O 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 YOUR 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 LICENSE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN MARYLAND, EXCEPT FOR ARBITRATION FOR CENTER REMODELING DISPUTES. OUT-OF-STATE LITIGATION (OR ARBITRATION) MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN MARYLAND THAN IN YOUR OWN STATE.
- 2. THE LICENSE AGREEMENT STATES THAT MARYLAND LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

TO THE EXTENT LOCAL LAW REQUIRES, YOU MAY HAVE CERTAIN RIGHTS UNDER THIS LAW. PLEASE SEE EXHIBIT Q FOR AN EXPLANATION OF ANY APPLICABLE LOCAL LAW.

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:

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