



The Knowledge Universe Family of Brands

CHILD CARE SELECT PROGRAM AGREEMENT

This Child Care Select Program Agreement (the “Agreement”) is dated effective the latest date signed below (the “Effective Date”), between Children’s Creative Learning Center, Inc., a Knowledge Universe company, (“KU”), with offices located at 650 NE Holladay Street, Suite 1400, Portland, OR 97232, Attn: Care Select, fax 800-854-2707 and Michaels Stores, Inc., with offices located at 8000 Bent Branch Drive, Irving, TX 75063 Attn: Sharon Brown, fax/email browns66@michaels.com (“Client”) (each a “Party” and together, the “Parties”). In consideration of the premises and the mutual promises contained in this Agreement, the Parties agree as follows:

1. Nature of Agreement. This Agreement provides for tuition discounts (the “Program”) at KU’s child care centers and before and after school programs operating under the KinderCare, Knowledge Beginnings, CCLC, and Champions trade names open to the general public (“Centers”).

Program Start Date: June 15, 2015

2. Services Provided. KU agrees to:

- Provide a ten percent (10%) discount off of the standard weekly or monthly tuition rates for full-time or part-time child care services for any child (by birth, adoption, guardianship, or stepchild) of an eligible employee of Client or its affiliates and subsidiaries (an “Employee”). Client’s affiliates and subsidiaries will mean affiliates that are majority owned by or under voting control of Client. To be eligible, Employees must present a current pay stub at a Center and request to be included in the Program. No retroactive discounts will be allowed. This discount may not be combined with any other available tuition discounts, although Employees may select the most favorable available discount. Employees who receive government subsidized care may apply the discount percentage offered by this Agreement only to the parent-paid portion and in compliance with agency rules. Employees must pay all of KU’s other fees, as they are not included in the discount. Upon termination of employment with Client, the former Employee will be required to pay the Center’s standard tuition rates and fees.
- Provide Client with a link to KU’s website (www.careiseverywhere.com) that provide a list of Centers. Not all Centers may participate in the Program. Client may include this website in its marketing materials and/or link directly via Client’s own intranet.
- Provide Client with electronic files for marketing materials to promote the services and Program.
- Provide quarterly reports to Client reporting on the number of Employees utilizing the discounts, their locations by state, and the tuition savings associated with the Program.
- Upon request, a KU representative will attend Client’s wellness or benefits fairs up to two times per calendar year to promote the Program.

3. Client’s Responsibilities. Client agrees to:

- Pay the Annual Program fee of \$500. KU will invoice Client for such fee pro-rated as of the Effective Date and on each successive January 1; KU will send invoices to 8000 Bent Branch Drive, Irving, TX 75063, browns66@michaels.com, ATTN: Sharon Brown. All such fees will be paid within 45 days after Client’s receipt of invoice.
- Reasonably promote the Program to all Employees at Client’s cost. Such promotion by Client will include making Knowledge Universe literature available to Employees during new Employee orientation meetings, providing periodic electronic communications to Employees, and where possible, providing a link from the Client’s intranet to KU’s websites. To facilitate such communication, KU will provide electronic marketing materials and informational literature. Information about KU and the Program is subject to KU’s review and written approval **prior** to distribution by Client.
- Inform Employees of the Program eligibility requirements as set forth in this Agreement.

4. General Terms and Conditions.

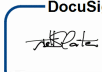
- Term/Termination: This Agreement will be effective on the Effective Date and will continue through December 31, 2015, unless terminated as permitted herein. On January 1 of every successive year, this Agreement will automatically renew for one year terms. Either Party may terminate this Agreement at any time for any reason by providing thirty (30) days prior written notice to the other Party. Upon termination of the Agreement, any Employee participating in any Program will be required to pay the standard tuition rates at the Center(s) in which his/her child(ren) is enrolled. If there is an Annual Program fee, KU may also terminate this Agreement if Client does not pay the Annual Program fee due within ten (10) days of due date. In the event of Client's termination due to a breach by KU, Client will be entitled to a pro-rata refund of the Annual Program fee (if any) as measured from the date of termination of the Agreement through the end of the then current term.
- Parent Fees: As part of the services provided to Client, KU will cause to be collected child care fees less applicable discount offer from each Employee at the Center pursuant to KU's normal billing policies and procedures.
- Verification of Eligibility: The Centers will require Employees to provide proof of employment with Client and request to be included in the Program before the discount will be applied.
- Equal Treatment: KU is an equal opportunity provider. KU accepts applications for admission and employment without regard to race, religion, gender, national origin, color, creed, physical or mental disabilities or any other protected status. KU reserves the right to enroll or disenroll any child or family pursuant to its policies and procedures, and in compliance with applicable laws.
- Compliance with Licensing and Other Laws: KU will comply, and will ensure that the Centers comply, in all material respects with all applicable federal, state, and local laws, rules and regulations in connection with the provision of child care services to Employees and performance of its obligations under this Agreement.
- Confidentiality of CCLC and Client Information: At no time within three (3) years after the date that this Agreement terminates will KU or Client or any of their respective officers, directors, employees or agents disclose to anyone other than their respective attorneys, accountants, financial advisors, or affiliates the material terms of this Agreement or any other written agreement between the Parties or any confidential or proprietary information of the Parties. Except as set forth below, "Confidential Information" will mean and include any financial, operational, technical and other information relating to the present and future businesses and affairs of the Party disclosing the information to the other Party. It is understood that the term "Confidential Information" does not include information that: (i) is rightfully in a Party's possession prior to disclosure by the other Party; (ii) is disclosed with the other Party's consent; (iii) is public information other than through action or inaction of either Party; (iv) is rightfully obtained from another source; or (v) is required to be disclosed by applicable law or legal process (provided, that Client and KU agree, to the extent permitted by law, to promptly notify the other Party in writing upon its discovery of such a required disclosure). KU may also disclose family and child information to regulatory agencies (e.g., child care licensing and child protective service agencies) as permitted by law. When no longer needed for the performance of this Agreement, or at any time requested by either Party, the Confidential Information, in whatever form, including copies, summaries or compilations, will be promptly returned to the Party requesting such Confidential Information or destroyed, at the sole discretion of the party in possession of the Confidential Information. KU and Client hereby acknowledge and agree that if any of their officers, directors, employees or agents engage in activities in violation of this Section, monetary damages would be an inadequate remedy and the Parties agree that the other Party will be entitled to seek, in addition to any other remedy provided by law or equity, an injunction against the violation of the Party's obligation to the other Party.
- Independent Contractor: KU and Client acknowledge and agree that KU and Client are independent contractors and that this Agreement does not create an employer-employee relationship, partnership, joint venture, agency, or any other such relationship. KU will be responsible for determining and directing the manner in which it provides services, and, consistent with the provisions hereof, for selecting, employing and controlling the employees, agents or representatives who will actually perform the services on its behalf.
- Force Majeure: Neither Party will incur any liability to the other Party resulting from any delay or failure to perform all or any part of this Agreement if such delay or failure is caused, in whole or in part, by events, occurrences or forces beyond the reasonable control and without the negligence of such Party.
- Severability: If any provision of this Agreement will be invalid, illegal or unenforceable in any respect, the validity of the remaining provisions contained in this Agreement will not be affected.


- **Responsibility for Payment:** Any portion of the payment due for services owed by an Employee to KU or Knowledge Universe is the direct responsibility of the Employee, and Client will have no liability or obligation to collect or pay such amounts.
- **Discretion and Space Availability:** Child care enrollment will be provided on a space-available basis as determined by the Centers. If no space is available, Employees will be placed on a waiting list without preferential treatment.
- **Entire Agreement:** This Agreement is the entire final and complete agreement between the Parties with respect to the matters set forth in this Agreement and supersedes and replaces all prior oral or written agreements between the Parties or their representatives with respect to such matters. This Agreement may not be amended except by a written instrument signed by duly authorized representatives of both Parties.
- **Ambiguities:** Each Party has reviewed and revised (or requested revisions of) this Agreement, and therefore any usual rules of construction requiring that ambiguities are to be resolved against a particular Party will not be applicable in the construction and interpretation of this Agreement.
- **Notices:** Any notices required under this Agreement will be in writing and sent to the addresses listed in the first paragraph, with a copy to Knowledge Universe Education LLC, 650 NE Holladay, Suite 1400, Portland, OR 97232, Attn: Legal – CCLC, for any notices sent to KU and a copy sent to Michaels Stores, Inc., 8000 Bent Branch Drive, Irving, TX 75063, Attn: General Counsel, for any notices sent to Client.
- **Choice of Law:** This Agreement will be construed, applied and enforced in accordance with the laws of the State of Delaware without regard to the choice of law rules of such state.
- **Assignment:** Neither Party will have the right to assign this Agreement, including any or all of its rights or obligations under this Agreement, without the prior written consent of the other Party, which consent will not be unreasonably withheld or delayed; provided, however, that KU will be permitted to assign this Agreement to any entity that is an affiliate of KU, or as part of a sale, merger, or reorganization. For purposes of this section, an “affiliate of KU” will mean any entity controlled by, that controls, or is under common control with KU.
- **Intellectual Property Protection:** The use by either Party of any trademark, service mark, trade name, logo or other intellectual property of the other Party, including, without limitation, photographs (“Intellectual Property”), for any printed materials, signs, press releases, promotional materials or advertisements must be authorized and approved in writing in advance by the Party owning the Intellectual Property. The Parties acknowledge and agree that all right, title, and interest in and to their Intellectual Property, are the sole and exclusive property of the respective parties.
- **Counterparts and Facsimile:** This Agreement may be executed in a number of counterparts, all of which together shall constitute one such document. A facsimile transmission of an executed signature page of this Agreement shall have the same force and effect as an original signature page.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized officers or representatives.

CHILDREN’S CREATIVE LEARNING CENTER, INC.

MICHAELS STORES, INC.

DocuSigned by:

 By: _____
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DocuSigned by:

 By: _____
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Title: VP Portfolio Mgt. & New Business Ops.

Title: Vice President Total Rewards

Date: 5/14/2015

Date: 5/14/2015

REVIEWED BY LEGAL DEPARTMENT
DATE: 5/14/15
SIGNATURE: JP

Approved by Legal: 