FRANCHISE DISCLOSURE DOCUMENT

SAFESPLASH BRANDS, LLC
d/b/a STREAMLINE BRANDS
a Colorado limited liability company
12240 Lioness Way
Parker, Colorado 80134
(720) 735-9511
franchise@streamlinebrands.com
http://www.safesplash.com

SafeSplash Brands, LLC, a Colorado limited liability company doing business as Streamline Brands, is offering franchises for the use of the trademark "SAFESPLASH SWIM SCHOOL®" and related trademarks and service marks, for the operation of businesses offering "learn to swim" programs for children and adults, birthday parties, summer camps, other swimming-related activities and the sale of related products ("**SafeSplash Businesses**" or "**Franchised Businesses**"). There are four formats of SafeSplash Businesses: Dedicated Location, Hosted Locations, Conversion Dedicated Locations, and Conversion Hosted Locations.

The total investment necessary to begin operation of a Dedicated Location is $944,950 to $1,327,700. This includes $55,000 that must be paid to the franchisor and its affiliates.

The total investment necessary to begin operation of a Dedicated Location with a SwimLabs Technology Package is $1,054,950 to $1,487,700. This includes $65,000 that must be paid to the franchisor and its affiliates.

The total investment necessary to begin operation of a Hosted Location is $57,500 to $81,000. This includes $37,500 that must be paid to the franchisor and its affiliates.

The total investment necessary to begin operation of a Conversion Dedicated Location is $73,500 to $306,000. This includes $27,500 that must be paid to the franchisor and its affiliates.

The total investment necessary to begin operation of a Conversion Hosted Location is $24,250 to $57,250. This includes $18,750 that must be paid to the franchisor and its affiliates.

The total investment necessary to begin operation of a SafeSplash Business under a Development Agreement is $43,000 to $1,542,700, if you commit to develop two SafeSplash Businesses (the minimum required to be developed under a Development Agreement). This includes $37,500 to $120,000 that must be paid to the franchisor and its affiliates. If you commit to develop more than two SafeSplash Businesses, the total investment necessary will vary based on the total number and format of SafeSplash Businesses you commit to develop and includes $18,750 to $65,000 per SafeSplash Business that must be paid to the franchisor and its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 days before you sign a binding agreement with, or make any payment in connection with the proposed franchise sale or grant. **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 Elliot Schiffer at 12240 Lioness Way, Parker, Colorado 80134 and (720) 735-9511.

The terms of your contract will govern your franchise relationship. Do not 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. Information comparing franchisors is available. Call your state agency or your public library for sources of information. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the FTC. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information.

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

Issuance Date: **April 18, 2025, as amended July 2, 2025**

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits E or F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only SafeSplash business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a SafeSplash franchisee?	Item 20 or Exhibits E and F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The Franchise Agreement and Development Agreement require you to resolve disputes with the franchisor by arbitration only in Colorado, except for certain disputes, which must be litigated in Colorado. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Colorado than in your own state.

2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement(s), even if your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

3. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

4. **Unopened Franchises**. The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

5. **Turnover Rate**. During the last 3 years, a high percentage of franchised outlets (30%) were reacquired by the franchisor or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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

NOTICE REQUIRED
BY
STATE OF MICHIGAN

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on your right to join an association of franchisees.

(b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.

(c) A provision that permits us to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits us to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applied only if: (i) the term of the franchise is less than 5 years and (ii) you are prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least six (6) months' advance notice of our intent not to renew the franchise.

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

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

(g) A provision which permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet our then current reasonable qualifications or standards.

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

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

(iv) Your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise Section
670 Law Building
Lansing, Michigan 48913
Telephone Number: (517) 335-7567

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EXHIBITS

ITEM 1
THE FRANCHISOR AND ANY PARENT, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document ("**Franchise Disclosure Document**"), "**we**," or "**us,**" means SafeSplash Brands, LLC d/b/a Streamline Brands, the Franchisor. We will refer to the person who buys the franchise as "**Franchisee**" or "**you**" throughout this Franchise Disclosure Document. If the Franchisee is a legal business entity, certain terms of the Franchise Agreement also apply to the owners of the entity and will be noted.

Our Business

We are a Colorado limited liability company that was incorporated on January 4, 2014. Since December 23, 2016, we have done business primarily under the name "Streamline Brands," although we also do business under the names "SafeSplash Swim School," "SafeSplash," "SwimLabs" and "Swimtastic." Our principal place of business is 12240 Lioness Way, Parker, Colorado 80134. We have not operated any swim schools similar to the businesses that you will operate, but our affiliate, SafeSplash Swim School Parker, LLC ("**Parker**"), has operated swim schools similar to the franchises that we offer since 2006.

We began offering franchises for the operation of SafeSplash Businesses in the United States in August 2014. As of December 31, 2024, there were 102 SafeSplash Businesses operated by franchisees and 29 SafeSplash Businesses operated by Parker.

On November 13, 2015, we acquired the assets comprising the Swimtastic® franchise system from Swimtastic Corporation, a Wisconsin corporation ("**Swimtastic**") and Swimtastic's affiliate, Swimtastic Swim School, Inc., a Wisconsin corporation, in a predominantly equity-based transaction. These assets include Swimtastic's then-existing franchise agreements and development agreements. Swimtastic offered franchises from 2002 until our acquisition. From December 2015 until April 2023, we offered franchises for the operation of Swimtastic franchised businesses ("**Swimtastic Businesses**"). We continue to operate the Swimtastic franchise system and support Swimtastic Businesses. As of December 31, 2024, there were 11 franchised Swimtastic Businesses and one dual-branded Swimtastic and SwimLabs swim school operating in the United States. Swimtastic has not offered franchises in any other line of business.

On February 9, 2017, we acquired the assets comprising the SwimLabs® franchise system from SwimLabs & Rehab Holding Company, Inc., a Colorado corporation ("**SL**") and SL's affiliate, SwimLabs International, LLC, a Colorado limited liability company ("**SL International**"), in a predominantly equity-based transaction. These assets include SL and SL International's then existing franchise agreements and license agreements. SL offered franchises from 2012 until our acquisition. From February 2017 until April 2023, we offered franchises for the operation of SwimLabs franchised businesses ("**SwimLabs Businesses**") in a "**Dual Brand Location**" in conjunction with a SafeSplash Business or Swimtastic Business. We continue to operate the SwimLabs franchise system and support SwimLabs Businesses. As of December 31, 2024, there were 11 franchised and licensed SwimLabs Businesses, 12 Dual Brand Locations combining a SafeSplash Business with a SwimLabs Business, and one Dual Brand Location combining a Swimtastic Business with a SwimLabs Business operating in the United States. Other than those listed above, SL & SL International have not offered franchises in any other line of business.

We are not currently offering franchises for the operation of SwimLabs Businesses, Dual Brand Locations, or Swimtastic Businesses. A Dual Brand Location is identical to a Dedicated Location with a SwimLabs Technology Package (described below) in terms of geographic footprint, structural layout, and operations. Accordingly, we now refer to each of these franchised businesses as a Dedicated Location with SwimLabs Technology Package.

Except as provided above, we have not offered franchises in any other line of business. We offer products and supplies to franchisees. We do not engage in any other business activities.

Predecessors and Parents

We do not have any predecessors.

We are an indirect, wholly-owned subsidiary, of Youth Enrichment Brands, LLC, a Delaware limited liability company, with a principal business address at 1010 B Street, Suite 450, San Rafael, California 94901 ("**YEB**"). Streamline Holdings, LLC ("**Streamline Holdings**"), a Delaware limited liability company, is a direct, wholly-owned subsidiary of YEB. SafeSplash Holdings, LLC ("**SafeSplash Holdings**"), a Colorado limited liability company, is a direct, wholly-owned subsidiary of Streamline Holdings and is our direct parent company. Streamline Holdings and SafeSplash Holdings share our principal business address. YEB, Streamline Holdings, and SafeSplash Holdings have not conducted a business of the type that you will operate and have not offered franchises in any line of business.

Affiliates that Provide Services to Franchisees

YEB and Streamline Holdings assist us in providing certain sales and support services to our franchisees. However, as the franchisor, we will be responsible and accountable to you to make sure that all services we promise to perform under your Franchise Agreement or other agreements you sign with us are performed in compliance with the applicable agreement.

YEB Affiliates that Offer Franchises

YEB is the direct parent company to two other franchisors operating in the United States: i9 Sports, LLC (**"i9"**) and School of Rock Franchising LLC ("**School of Rock**"). i9 became a subsidiary of YEB through an acquisition in September 2021. School of Rock became a subsidiary of YEB through an acquisition in September 2023. The two franchisors have never offered franchises in any other line of business.

> **i9** franchises businesses that operate, market, sell and provide amateur sports leagues, camps, tournaments, clinics, training, development, social activities, special events, products and related services under the i9 Sports® mark. i9 began offering franchises in November 2003. i9 has a principal place of business at 9410 Camden Field Parkway, Riverview, Florida 33578. As of December 31, 2024, there were 264 i9 Sports franchises in the United States.
>
> **School of Rock** franchises businesses that operate performance-based music schools with a rock music program under the School of Rock® mark. School of Rock began offering franchises in September 2005. School of Rock has a principal place of business at 1 Wattles Street, Canton, MA 02021. As of December 31, 2024, there were 254 franchised and 49 affiliate-owned School of Rock schools in the United States and 92 franchised School of Rock schools outside the United States.

Affiliated Franchise Programs

YEB is affiliated with Roark Capital Management, LLC, an Atlanta-based limited liability company, which manages private equity funds affiliated with Roark Capital, an Atlanta-based private equity firm. Through control with private equity funds managed by Roark Capital Management, LLC, we are affiliated with the following franchise programs ("**Affiliated Programs**"). None of these affiliates operates a SafeSplash franchise.

GoTo Foods Inc. ("**GoTo Foods**") is the indirect parent company to seven franchisors, including: Auntie Anne's Franchisor SPV LLC ("**Auntie Anne's**"), Carvel Franchisor SPV LLC ("**Carvel**"), Cinnabon Franchisor SPV LLC ("**Cinnabon**"), Jamba Juice Franchisor SPV LLC ("**Jamba**"), McAlister's Franchisor SPV LLC ("**McAlister's**"), Moe's Franchisor SPV LLC ("**Moe's**"), and Schlotzsky's Franchisor SPV LLC

("**Schlotzsky's**"). All seven GoTo Foods franchisors have a principal place of business at 5620 Glenridge Drive NE, Atlanta, GA 30342 and have not offered franchises in any other line of business.

Auntie Anne's franchises Auntie Anne's® shops that offer soft pretzels, lemonade, frozen drinks, and related foods and beverages. In November 2010, the Auntie Anne's system became affiliated with GoTo Foods through an acquisition. Auntie Anne's predecessor began offering franchises in January 1991. As of December 31, 2024, there were 1,182 franchised and 11 affiliate-owned Auntie Anne's shops in the United States and 815 franchised Auntie Anne's shops outside the United States.

Carvel franchises Carvel® ice cream shoppes and is a leading retailer of branded ice cream cakes in the United States and a producer of premium soft-serve ice cream. The Carvel system became an Affiliated Program in October 2001 and became affiliated with GoTo Foods in November 2004. Carvel's predecessor began franchising retail ice cream shoppes in 1947. As of December 31, 2024, there were 336 franchised Carvel shoppes in the United States and 39 franchised Carvel shoppes outside the United States.

Cinnabon franchises Cinnabon® bakeries that feature oven-hot cinnamon rolls, as well as other baked treats and specialty beverages. It also licenses independent third parties to operate domestic and international franchised Cinnabon® bakeries and Seattle's Best Coffee® franchises on military bases in the United States and in certain international countries, and to use the Cinnabon trademarks on products dissimilar to those offered in Cinnabon bakeries. In November 2004, the Cinnabon system became affiliated with GoTo Foods through an acquisition. Cinnabon's predecessor began franchising in 1990. As of December 31, 2024, there were 1,002 franchised and 28 affiliate-owned Cinnabon bakeries in the United States, 1,040 franchised Cinnabon bakeries outside the United States, and 193 franchised Seattle's Best Coffee units outside the United States.

Jamba franchises Jamba® stores that feature a wide variety of fresh blended-to-order smoothies and other cold or hot beverages and offer fresh squeezed juices and portable food items to customers who come for snacks and light meals. Jamba has offered JAMBA® franchises since October 2018. In October 2018, Jamba became affiliated with GoTo Foods through an acquisition. Jamba's predecessor began franchising in 1991. As of December 31, 2024, there were 726 franchised Jamba stores and one affiliate-owned Jamba store in the United States and 61 franchised Jamba stores outside the United States.

McAlister's franchises McAlister's Deli® restaurants that feature deli foods, including hot and cold deli sandwiches, baked potatoes, salads, soups, desserts, iced tea and other food and beverage products. The McAlister's system became an Affiliated Program through an acquisition in July 2005 and became affiliated with GoTo Foods in October 2013. McAlister's or its predecessor have been franchising since 1999. As of December 31, 2024, there were 524 franchised and 36 affiliate-owned McAlister's restaurants in the United States.

Moe's franchises Moe's Southwest Grill® fast casual restaurants which feature fresh-mex and southwestern food. In August 2007, the Moe's system became affiliated with GoTo Foods through an acquisition. Moe's predecessor began offering Moe's Southwest Grill franchises in 2001. As of December 31, 2024, there were 591 franchised and five affiliate-owned Moe's Southwest Grill restaurants in the United States.

Schlotzsky's franchises Schlotzsky's® quick-casual restaurants that feature sandwiches, pizza, soups, and salads. Schlotzsky's signature items are its "fresh-from-scratch" sandwich buns and pizza crusts that are baked on-site every day. In November 2006, the Schlotzsky's system became affiliated with GoTo Foods through an acquisition. Schlotzsky's restaurant franchises have been offered since 1976.

As of December 31, 2024, there were 280 franchised and 28 affiliate-owned Schlotzsky's restaurants in the United States.

Inspire Brands, Inc. ("**Inspire Brands**") is a global multi-brand restaurant company, launched in February 2018 upon completion of the merger of the Arby's and Buffalo Wild Wings brands. Inspire Brands is a parent company to six franchisors offering and selling franchises in the United States, including: Arby's Franchisor, LLC ("**Arby's**"), Baskin-Robbins Franchising LLC ("**Baskin-Robbins**"), Buffalo Wild Wings International, Inc. ("**Buffalo Wild Wings**"), Dunkin' Donuts Franchising LLC ("**Dunkin'**"), Jimmy John's Franchisor SPV, LLC ("**Jimmy John's**"), and Sonic Franchising LLC ("**Sonic**"). Inspire Brands is also a parent company to the following franchisors offering and selling franchises internationally: Inspire International, Inc. ("**Inspire International**"), DB Canadian Franchising ULC ("**DB Canada**"), DDBR International LLC ("**DB China**"), DD Brasil Franchising Ltda. ("**DB Brasil**"), DB Mexican Franchising LLC ("**DB Mexico**"), and BR UK Franchising LLC ("**BR UK**"). All of Inspire Brands' franchisors have a principal place of business at Three Glenlake Parkway NE, Atlanta, Georgia 30328 and, other than as described below for Arby's, have not offered franchises in any other line of business.

Arby's is a franchisor of quick-serve restaurants operating under the Arby's® trade name and business system that feature slow-roasted, freshly sliced roasted beef and other deli-style sandwiches. In July 2011, Arby's became an Affiliated Program through an acquisition. Arby's has been franchising since 1965. Predecessors and former affiliates of Arby's have, in the past, offered franchises for other restaurant concepts including T.J. Cinnamons® stores that served gourmet baked goods. All of the T.J. Cinnamons locations have closed. As of December 29, 2024, there were 3,365 Arby's restaurants operating in the United States (2,286 franchised and 1,079 company-owned), including one multi-brand location. Additionally, as of December 29, 2024, there were 231 single-branded franchised Arby's restaurants operating internationally.

Baskin-Robbins is a franchisor of Baskin-Robbins® restaurants that offer ice cream, ice cream cakes and related frozen products, beverages and other products and services. Baskin-Robbins became an Affiliated Program through an acquisition in December 2020. Baskin-Robbins has offered franchises in the United States and certain international markets for Baskin-Robbins restaurants since March 2006. As of December 29, 2024, there were 2,245 franchised Baskin-Robbins restaurants operating in the United States. Of those 2,245 restaurants, 974 were single-branded Baskin-Robbins restaurants, two were Baskin-Robbins restaurants operating at a multi-brand location, and 1,269 were Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December 29, 2024, there were 5,651 single-branded franchised Baskin-Robbins restaurants operating internationally and in Puerto Rico.

Buffalo Wild Wings is a franchisor of sports entertainment-oriented casual sports bars that feature chicken wings, sandwiches, and other products, alcoholic and other beverages, and related services under Buffalo Wild Wings® name ("**Buffalo Wild Wings Sports Bars**") and restaurants that feature chicken wings and other food and beverage products primarily for off-premises consumption under the Buffalo Wild Wings GO name ("**BWW-GO Restaurants**"). Buffalo Wild Wings has offered franchises for Buffalo Wild Wings Sports Bars since April 1991 and for BWW-GO Restaurants since December 2020. As of December 29, 2024, there were 1,183 Buffalo Wild Wings Sports Bars operating in the United States (538 franchised and 645 company-owned) and 65 franchised Buffalo Wild Wings or B-Dubs restaurants operating outside the United States. As of December 29, 2024, there were 140 BWW-GO Restaurants operating in the United States (90 franchised and 50 company-owned).

Dunkin' is a franchisor of Dunkin'® restaurants that offer doughnuts, coffee, espresso, breakfast sandwiches, bagels, muffins, compatible bakery products, croissants, snacks, sandwiches and beverages. Dunkin' became an Affiliated Program through an acquisition in December 2020. Dunkin' has offered franchises in the United States and certain international markets for Dunkin' restaurants since March 2006. As of December 29, 2024, there were 9,768 Dunkin' restaurants operating in the United States (9,734 franchised and 34 company-owned). Of those 9,768 restaurants, 8,480 were single-branded Dunkin' restaurants, 19 were Dunkin' restaurants operating at multi-brand locations, and 1,269 were franchised Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December 29, 2024, there were 4,328 single-branded franchised Dunkin' restaurants operating internationally.

Jimmy John's is a franchisor of restaurants operating under the Jimmy John's® trade name and business system that feature high-quality deli sandwiches, fresh baked breads, and other food and beverage products. Jimmy John's became an Affiliated Program through an acquisition in October 2016 and became part of Inspire Brands by merger in 2019. As of December 29, 2024, there were 2,689 Jimmy John's restaurants operating in the United States (2,647 franchised and 42 affiliate-owned). Of those 2,689 restaurants, 2,668 were singled-branded Jimmy John's restaurants and 21 were Jimmy John's restaurants operating at multi-brand locations. Additionally, as of December 29, 2024, there were five franchised Jimmy John's restaurants operating internationally.

Sonic is the franchisor of Sonic Drive-In® restaurants, which serve hot dogs, hamburgers and other sandwiches, tater tots and other sides, a full breakfast menu and frozen treats and other drinks. Sonic became an Affiliated Program through an acquisition in December 2018. Sonic has offered franchises for Sonic restaurants since May 2011. As of December 29, 2024, there were 3,461 Sonic Drive-Ins operating in the United States (3,144 franchised and 317 company-owned), including one multi-brand location.

Inspire International has, directly or through its predecessors, offered and sold franchises outside the United States for the following brands: Arby's restaurants (since May 2016), Buffalo Wild Wings sports bars (since October 2019), Jimmy John's restaurants (since November 2022), and Sonic restaurants (since November 2019). **DB Canada** was formed in May 2006 and has, directly or through its predecessors, offered and sold Baskin-Robbins franchises in Canada since January 1972. **DB China** has offered and sold Baskin-Robbins franchises in China since its formation in March 2006. **DB Brasil** has offered and sold Dunkin' and Baskin-Robbins franchises in Brazil since its formation in May 2014. **DB Mexico** has offered and sold Dunkin' franchises in Mexico since its formation in October 2006. **BR UK** has offered and sold Baskin-Robbins franchises in the UK since its formation in December 2014. The restaurants franchised by the international franchisors are included in the brand-specific disclosures above.

Primrose School Franchising SPE, LLC (**"Primrose"**) is a franchisor that offers franchises for the establishment, development and operation of educational childcare facilities serving families with children from 6 weeks to 12 years old operating under the Primrose® name. Primrose's principal place of business is 3200 Windy Hill Road SE, Suite 1200E, Atlanta GA 30339. Primrose became an Affiliated Program through an acquisition in June 2008. Primrose and its affiliates have been franchising since 1988. As of December 31, 2024, there were 525 franchised Primrose facilities in the United States. Primrose has not offered franchises in any other line of business.

ME SPE Franchising, LLC (**"Massage Envy"**) is a franchisor of businesses that offer professional therapeutic massage services, facial services, and related goods and services under the name "Massage Envy®" since 2019. Massage Envy's principal place of business is 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260. Massage Envy's predecessor began operation in 2003, commenced franchising in 2010, and became an Affiliated Program through an acquisition in 2012. As of December 31, 2024, there were 1,009 Massage Envy locations operating in the United States, including 1,000 operated as total body care Massage Envy businesses and 9 operated as traditional Massage Envy businesses. Additionally, Massage Envy's predecessor previously sold franchises for regional developers, who acquired a license for a defined region in which they were required to open and operate a designated number of Massage Envy locations either by themselves or through franchisees that they would solicit. As of December 31, 2024, there were nine regional developers operating 11 regions in the United States. Massage Envy has not offered franchises in any other line of business.

CKE Inc. ("**CKE**"), through two indirect wholly-owned subsidiaries (Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC), owns, operates and franchises quick serve restaurants operating under the Carl's Jr.® and Hardee's® trade names and business systems. Carl's Jr. restaurants and Hardee's restaurants offer a limited menu of breakfast, lunch and dinner products featuring charbroiled 100% Black Angus Thickburger® sandwiches, Hand-Breaded Chicken Tenders, Made from Scratch Biscuits and other related quick serve menu items. A small number of Hardee's Restaurants offer Red Burrito® Mexican food products through a Dual Concept Restaurant. A small number of Carl's Jr. Restaurants offer Green Burrito® Mexican food products through a Dual Concept Restaurant. CKE Inc.'s principal place of business is 6700 Tower Circle, Suite 1000, Franklin, Tennessee. In December 2013, CKE Inc. became an Affiliated Program through an acquisition. Hardee's restaurants have been franchised since 1961. As of January 27, 2025, there were 202 company-operated Hardee's restaurants and there were 1,369 domestic franchised Hardee's restaurants, including 129 Hardee's/Red Burrito Dual Concept restaurants. Additionally, there were 473 franchised Hardee's restaurants operating outside the United States. Carl's Jr. restaurants have been franchised since 1984. As of January 27, 2025, there were 50 company-operated Carl's Jr. restaurants, and there were 982 domestic franchised Carl's Jr. restaurants, including 218 Carl's Jr./Green Burrito Dual Concept restaurants. In addition, there were 687 franchised Carl's Jr. restaurants operating outside the United States. Neither CKE nor its subsidiaries that operate the above-described franchise systems have offered franchises in any other line of business.

Driven Holdings, LLC ("**Driven Holdings**") is the indirect parent company to nine franchisors, including Meineke Franchisor SPV LLC ("**Meineke**"), Maaco Franchisor SPV LLC ("**Maaco**"), Merlin Franchisor SPV LLC ("**Merlin**"), Econo Lube Franchisor SPV LLC ("**Econo Lube**"), 1-800-Radiator Franchisor SPV LLC ("**1-800-Radiator**"), CARSTAR Franchisor SPV LLC ("**CARSTAR**"), Take 5 Franchisor SPV LLC ("**Take 5**"), ABRA Franchisor SPV LLC ("**ABRA**") and FUSA Franchisor SPV LLC ("**FUSA**"). In April 2015, Driven Holdings and its franchised brands at the time (which included Meineke, Maaco, Merlin and Econo Lube) became Affiliated Programs through an acquisition. Subsequently, through acquisitions in June 2015, October 2015, March 2016, September 2019, and April 2020, respectively, the 1-800-Radiator, CARSTAR, Take 5, ABRA and FUSA brands became Affiliated Programs. The principal business address of Meineke, Maaco, Econo Lube, Merlin, CARSTAR, Take 5, Abra and FUSA is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. 1-800-Radiator's principal business address is 4401 Park Road, Benicia, California 94510. None of these franchise systems have offered franchises in any other line of business.

Meineke franchises automotive centers that offer to the general public automotive repair and maintenance services that it authorizes periodically. These services currently include repair and replacement of exhaust system components, brake system components, steering and suspension components (including alignment), belts (V and serpentine), cooling system service, CV joints and boots, wiper blades, universal joints, lift supports, motor and transmission mounts, trailer hitches, air conditioning, state inspections, tire sales, tune ups and related services, transmission fluid changes and batteries. Meineke and its predecessors have offered Meineke center franchises since September 1972, and Meineke's affiliate has owned and operated Meineke centers on and off since March 1991. As of December 28, 2024, there were 714 franchised Meineke centers, 18 franchised Meineke centers co-branded with Econo Lube, and no company-owned Meineke centers or company-owned Meineke centers co-branded with Econo Lube operating in the United States.

Maaco and its predecessors have offered Maaco center franchises since February 1972 providing automotive collision and paint refinishing. As of December 28, 2024, there were 363 franchised Maaco centers and no company-owned Maaco centers in the United States.

Merlin franchises shops that provide automotive repair services specializing in vehicle longevity, including the repair and replacement of automotive exhaust, brake parts, ride and steering control system and tires. Merlin and its predecessors offered franchises from July 1990 to February 2006 under the name "Merlin Muffler and Brake Shops," and have offered franchises under the name "Merlin Shops" since February 2006. As of December 28, 2024, there were 14 Merlin franchises and no company-owned Merlin shops located in the United States.

Econo Lube offers franchises that provide oil change services and other automotive services including brakes, but not including exhaust systems. Econo Lube's predecessor began offering franchises in 1980 under the name "Muffler Crafters" and began offering franchises under the name "Econo Lube N' Tune" in 1985. As of December 28, 2024, there were eight Econo Lube N' Tune franchises and nine Econo Lube N' Tune franchises co-branded with Meineke centers in the United States, which are predominately in the western part of the United States, including California, Arizona, and Texas, and no company-owned Econo Lube N' Tune locations in the United States.

1-800-Radiator franchises distribution warehouses selling radiators, condensers, air conditioning compressors, fan assemblies and other automotive parts to automotive shops, chain accounts and retail consumers. 1-800-Radiator and its predecessor have offered 1-800-Radiator franchises since 2004. As of December 28, 2024, there were 193 1-800-Radiator franchises in operation in the United States. 1-800-Radiator's affiliate has owned and operated 1-800-Radiator warehouses since 2001 and, as of December 28, 2024, owned and operated 1 1-800-Radiator warehouse in the United States.

CARSTAR offers franchises for full-service automobile collision repair facilities providing repair and repainting services for automobiles and trucks that suffered damage in collisions. CARSTAR's business model focuses on insurance-related collision repair work arising out of relationships it has established with insurance company providers. CARSTAR and its affiliates first offered conversion franchises to existing automobile collision repair facilities in August 1989 and began offering franchises for new automobile repair facilities in October 1995. As of December 28, 2024, there were 471 franchised CARSTAR facilities and no company-owned facilities operating in the United States.

Take 5 franchises motor vehicle centers that offer quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products. Take 5 commenced offering franchises in March 2017, although the Take 5 concept started in 1984 in Metairie, Louisiana. As of December 28, 2024, there were 432 franchised Take 5 outlets and 710 affiliate-owned Take 5 outlets operating in the United States.

Abra franchises repair and refinishing centers that offer high quality auto body repair and refinishing and auto glass repair and replacement services at competitive prices. Abra and its predecessor have offered Abra franchises since 1987. As of December 28, 2024, there were 55 franchised Abra repair centers and no company-owned repair centers operating in the United States.

FUSA franchises collision repair shops specializing in auto body repair work and after-collision services. FUSA has offered Fix Auto shop franchises since July 2020, although its predecessors have offered franchise and license arrangements for Fix Auto shops on and off from April 1998 to June 2020. As of December 28, 2024, there were 212 franchised Fix Auto repair shops operating in the United States.

Driven Holdings is also the indirect parent company to the following franchisors that offer franchises in Canada: (1) **Meineke Canada SPV LP** and its predecessors have offered Meineke center franchises in Canada since August 2004; (2) **Maaco Canada SPV LP** and its predecessors have offered Maaco center franchises in Canada since 1983; (3) **1-800-Radiator Canada, Co.** has offered 1-800-Radiator warehouse franchises in Canada since April 2007; (4) **Carstar Canada SPV LP** and its predecessors have offered CARSTAR franchises in Canada since September 2000; (5) **Take 5 Canada SPV LP** and its predecessor have offered Take 5 franchises in Canada since November 2019; (6) **Driven Brands Canada Funding Corporation** and its predecessors have offered UniglassPlus and Uniglass Express franchises in Canada since 1985 and 2015, respectively, Vitro Plus and Vitro Express franchises in Canada since 2002, and Docteur du Pare Brise franchises in Canada since 1998; (7) **Go Glass Franchisor SPV LP** and its predecessors have offered Go! Glass & Accessories franchises since 2006 and Go! Glass franchises since 2017 in Canada; and (8) **Star Auto Glass Franchisor SPV LP** and its predecessors have offered Star Auto Glass franchises in Canada since approximately 2012.

As of December 28, 2024, there were: (i) 14 franchised Meineke centers and no company-owned Meineke centers in Canada; (ii) 17 franchised Maaco centers and no company-owned Maaco centers in Canada; (iii) 10 1-800-Radiator franchises and no company-owned 1-800-Radiator locations in Canada; (iv) 317 franchised CARSTAR facilities and one company-owned CARSTAR facility in Canada; (v) 32 franchised Take 5 outlets and seven company-owned Take 5 outlets in Canada; (vi) 71 franchised UniglassPlus businesses, 27 franchised UniglassPlus/Ziebart businesses, and five franchised Uniglass Express businesses in Canada, and one company-owned UniglassPlus business and one company-owned UniglassPlus/Ziebart business in Canada; (vii) 10 franchised VitroPlus businesses, 56 franchised VitroPlus/Ziebart businesses and three franchised Vitro Express businesses in Canada, and one company-owned VitroPlus business and one company-owned VitroPlus/Ziebart business in Canada; (viii) 31 franchised Docteur du Pare Brise businesses and two company-owned Docteur du Pare Brise businesses in Canada; (ix) 11 franchised Go! Glass & Accessories businesses and no franchised Go! Glass business in Canada, and 8 company-owned Go! Glass & Accessories businesses and no company-owned Go! Glass businesses in Canada; and (x) 8 franchised Star Auto Glass businesses and no company-owned Star Auto Glass businesses in Canada.

In January 2022, Driven Brands acquired Auto Glass Now's repair locations. As of December 28, 2024, there were more than 224 repair locations operating under the AUTOGLASSNOW® name in the United States ("**AGN Repair Locations**"). AGN Repair Locations offer auto glass calibration and windshield repair and replacement services. In the future, AGN Repair Locations may offer products and services to Driven Brands' affiliates and their franchisees in the United States, and/or Driven Brands may decide to offer franchises for AGN Repair Locations in the United States.

ServiceMaster Systems LLC is the direct parent company to three franchisors operating five franchise brands in the United States: Merry Maids SPE LLC ("**Merry Maids**"), ServiceMaster Clean/Restore SPE LLC ("**ServiceMaster**") and Two Men and a Truck SPE LLC ("**Two Men and a Truck**"). Merry Maids and ServiceMaster became Affiliated Programs through an acquisition in December 2020. Two Men and a Truck became an Affiliated Program through an acquisition on August 3, 2021.The three franchisors have a principal place of business at One Glenlake Parkway, Suite 1400, Atlanta, Georgia 30328 and have never offered franchises in any other line of business.

Merry Maids franchises residential house cleaning businesses under the Merry Maids® mark. Merry Maids' predecessor began business and started offering franchises in 1980. As of December 31, 2024, there were 796 Merry Maid franchises in the United States.

ServiceMaster franchises (i) businesses that provide disaster restoration and heavy-duty cleaning services to residential and commercial customers under the ServiceMaster Restore® mark and (ii) businesses that provide contracted janitorial services and other cleaning and maintenance services under the ServiceMaster Clean® mark. ServiceMaster's predecessor began offering franchises in 1952. As of December 31, 2024, there were 585 ServiceMaster Clean franchises, and 1,995 ServiceMaster Restore franchises in the United States.

Two Men and a Truck franchises (i) businesses that provide moving services and related products and services, including packing, unpacking and the sale of boxes and packing materials under the Two Men and a Truck® mark and (ii) businesses that provide junk removal services under the Two Men and a Junk Truck™ mark. Two Men and a Truck's predecessor began offering moving franchises in February 1989. Two Men and a Truck began offering Two Men and a Junk Truck franchises in 2023. As of December 31, 2024, there were 339 Two Men and a Truck franchises and three company-owned Two Men and a Truck businesses in the United States. As of December 31, 2024, there were 62 Two Men and a Junk Truck franchises in the United States.

Affiliates of ServiceMaster Systems LLC also offer franchises for operation outside the United States. Specifically, **ServiceMaster of Canada Limited** offers franchises in Canada, **ServiceMaster Limited** offers franchises in Great Britain, and **Two Men and a Truck** offers franchises in Canada and Ireland.

NBC Franchisor LLC ("**NBC**") franchises gourmet bakeries that offer and sell specialty bundt cakes, other food items and retail merchandise under the Nothing Bundt Cakes® mark. NBC's predecessor began offering franchises in May 2006. NBC became an Affiliated Program through an acquisition in May 2021. NBC has a principal place of business at 5005 Lyndon B. Johnson Pkwy, Suite 600, Dallas, Texas 75244. As of December 31, 2024, there were 644 Nothing Bundt Cake franchises and 17 company-owned locations operating in the United States. NBC has never offered franchises in any other line of business.

Mathnasium Franchisor LLC (**"Mathnasium"**) franchises learning centers that provide math instruction using the Mathnasium® system of learning. Mathnasium's predecessor began offering franchises in late 2003. Mathnasium's predecessor became an Affiliated Program through an acquisition in November 2022. Mathnasium has a principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056. As of December 31, 2024, there were 995 franchised and four affiliate-owned Mathnasium centers operating in the United States. Mathnasium has never offered franchises in any other line of business. Affiliates of Mathnasium Franchisor LLC also offer franchises for operation outside the United States.

Mathnasium Center Licensing Canada, Inc. has offered franchises for Mathnasium centers in Canada since May 2014. As of December 31, 2024, there were 100 franchised Mathnasium centers in Canada. **Mathnasium International Franchising, LLC** has offered franchises outside the United States and Canada since May 2015. As of December 31, 2024, there were 91 franchised Mathnasium centers outside the United States and Canada. Mathnasium Center Licensing Canada, Inc. and Mathnasium International Franchising, LLC each have their principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056 and none of them has ever offered franchises in any other line of business.

Doctor's Associates LLC ("**Subway**") franchises retail eating establishments which sell foot-long and other sandwiches, salads and other food items under the Subway® mark. Subway began offering franchises in 1974. Subway became an Affiliated Program through an acquisition in April 2024. Subway has its principal place of business at 1 Corporate Drive, Suite 1000, Shelton, Connecticut 06484. As of December 31, 2024, there were 19,502 Subway franchises and no company-owned locations operating in the United States and an estimated 16,120 franchises operating outside the United States. Subway has never offered franchises in any other line of business.

None of the affiliated franchisors are obligated to provide products or services to you; however, you may purchase products or services from these franchisors if you choose to do so.

Except as described above, we have no other parents, predecessors or affiliates that must be included in this Item.

Our agent for service of process is SafeSplash Holdings, LLC, which has a principal place of business at 12240 Lioness Way, Parker, Colorado 80134. Our state agents for service of process are disclosed on **Exhibit A**.

<u>The Franchise</u>

We offer franchises for the use of our trademarks, trade names, service marks and logos ("**Marks**") for the operation of SafeSplash Businesses offering "learn to swim" programs for children and adults, birthday parties, summer camps, other swimming-related activities, and the sale of related products. The SafeSplash Businesses are operated under a business format per a unique system, including our valuable know-how, information, trade secrets, methods, Operations Manual, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs and research / development connected with the operation and promotion of SafeSplash Businesses ("**System**"). We reserve the right to change or otherwise modify the System at any time in our sole discretion.

SafeSplash Businesses offer various "learn to swim" programs for children and adults, birthday parties, camps, and other swimming-related activities that we have approved ("**Services**") and swim-related products and ancillary goods that we have approved ("**Products**"). We reserve the right to add, modify, or delete any Services and Products at any time in our sole discretion.

You must operate your SafeSplash Business per our standard operating practices and sign our standard franchise agreement ("**Franchise Agreement**"), the current form of which is attached as **Exhibit B** to this Disclosure Document. You must also sign a merchant services agreement and a software/technology license agreement from our chosen provider.

We offer four formats of SafeSplash Businesses (each, a "**Format**"):

1. <u>Dedicated Location</u>: You lease or purchase (through a separate entity) a physical location with a swimming pool (either a stand-alone building or in-line retail space) that is dedicated to the operation of the SafeSplash Business ("**Dedicated Location**").

2. <u>Hosted Location</u>: You lease the use of a swimming pool for the operation of the SafeSplash Business in a third-party fitness center, health club, diving facility or other facility with a pool ("**Hosted Location**"). Under this format, we recommend that you operate at least two Hosted Locations. For each Hosted Location that you operate, you must sign a separate Franchise Agreement and the Hosted Location Addendum that is attached as **Attachment G** to the Franchise Agreement.

3. <u>Conversion Dedicated Location</u>: You already operate a business at a Dedicated Location under a different brand and want to convert your business to a SafeSplash Business ("**Conversion Dedicated Location**").

4. <u>Conversion Hosted Location</u>: You already operate a business at a Hosted Location under a different brand and want to convert your business to a SafeSplash Business ("**Conversion Hosted Location**").

Except as otherwise noted, in this Disclosure Document, all references to Dedicated Locations include non-conversion and Conversion Dedicated Locations and all references to Hosted Locations include non-conversion and Conversion Hosted Locations. We refer to Conversion Dedicated Locations and Conversion Hosted Locations collectively as "**Conversion Locations**."

If you purchase the right to operate a Dedicated Location (other than a Conversion Dedicated Location), you will have the opportunity to purchase a SwimLabs-branded technology package ("**SwimLabs Technology Package**"), which enables a franchisee operating a Dedicated Location to offer a wider set of services to multiple segments within the swim instruction market. Specifically, by utilizing the SwimLabs Technology Package, a Dedicated Location can offer advanced swimming skill level instruction and aquatic training using a technical approach involving 360-degree video capture and review and stroke analysis in flow pools/tanks. In conjunction with SwimLabs Technology Package, you will need to outfit your Dedicated Location with free standing tanks with flow elements to create a current, pool equipment, and hydraulic units; you will also need to purchase cameras, televisions, electronic equipment, and special software necessary for recording and analyzing a swimmer's strokes. The cost for the SwimLabs Technology Package is listed in Item 5; the Swim Software License Fee and Client Cloud Portal Access Fee are described in Item 6; and the investment costs associated with the facility enhancements and video related equipment are included in the relevant Item 7 table, respectively.

Enhanced Services Model

In addition to the support you will receive under our traditional royalty model ("**Royalty Model**"), which includes a royalty of 6% of Gross Revenues ("**Royalty**"), we offer an optional enhanced services support model ("**Enhanced Services Model**"). Under the Enhanced Services Model, you will pay an additional 10% of the Gross Revenues generated by your SafeSplash Business (which results in a total payment of 16% of Gross Revenues when including the Royalty already required under the Royalty Model). If you choose to participate in the Enhanced Services Model, you must execute the Enhanced Services Addendum to the Franchise Agreement that is attached as **Attachment I** to the Franchise Agreement.

The Enhanced Services Model includes the following services (collectively, the "**Enhanced Services**"), which we may provide through our affiliate or a third-party designee:

Call Center Services: We or our designee will answer inbound phone calls and respond to client inquiries about all services offered, level selection, account set up and class enrollment, class scheduling and rescheduling, billing invoice review, account and enrollment updates, and all other requests and inquires as authorized by us (collectively, "**Call Center Services**"). We or our designee will support both proactive and reactive new customer enrollment and customer service resolution, including communicating with clients via e-mail, chat, or phone, as applicable.

Billing Services: We or our designee will complete billing for all accounts multiple times each month (collectively, "**Billing Services**"). Billing Services includes processing of class charges, fees, and credits via credit and debit cards, following up on uncollected funds due to credit card refusal, contacting customers to resolve balances, and attempting to resolve disputed charges.

School Operating and Management Software: We or our designee will provide access to the school management software, serving as the web and mobile application to provide services, manage web- and mobile-based customer interactions, manage customer billing, and provide reporting to you. We or our designee will: (a) define the initial configuration of the software based on brand-specific standards, (b) create an account on your behalf based on these standards, (c) monitor, manage, and maintain the software configuration, as needed, and (d) provide a comprehensive, up-to-date video training library. The specific software provider will make available software systems support during the dates and times, and via the methods, established by such vendor.

Productivity Software: We or our designee will provide access to productivity software to you, which currently includes web-based productivity applications, a branded email address, cloud storage, as well as chat-based communication and collaboration tools. We may modify the productivity software and its functionality in our sole discretion. We or our designee will manage access to and maintain the configuration of this platform, as needed. We or our designee will provide support for this platform, as specified in the addendum.

Development Agreement

As a franchisee, you may operate one SafeSplash Business for each Franchise Agreement you sign with us. We also offer to select qualified persons the opportunity to acquire the exclusive right to develop multiple SafeSplash Businesses in a designated Development Area ("**Development Area**"). If you are purchasing a Development Area, you must execute our standard development agreement ("**Development Agreement**"). The minimum number of businesses required to be opened by the Development Agreement is two, and can include one or more Conversion Locations. If we agree to grant you the right to develop two or more SafeSplash Businesses, you must meet our then-current franchise qualification standards and, prior to the time you begin developing each SafeSplash Business, you must sign our then-current form of Franchise Agreement, which may materially differ from the Franchise Agreement included within this Franchise Disclosure Document. The grant of the second and any subsequent SafeSplash Businesses is subject to our ability to comply with all applicable laws regarding the sale of the franchises and the availability of acceptable locations in the Development Area.

If you form an entity to open any of the additional SafeSplash Businesses within the Development Area, you must own at least 51% of the issued equity securities or membership interests in each entity. You must provide us with necessary documentation to show your ownership interest.

Market and Competition

You will sell swim lessons and classes, birthday parties, summer camps, and other swim-related activities to the general public, primarily to parents of children from the ages of six months to 12 years. The market for swim lessons and classes, birthday parties, and summer camps is developed and competitive. As such, you will be competing for customers with other companies that offer swim lessons and classes, birthday parties, and summer camps. Competitors may include other swim schools, recreational centers and mom and pop swim lessons at private pools. The market for swim lessons and classes is seasonal, with summer being the busiest time of the year.

Regulations

Certain states and local jurisdictions may have enacted laws, rules, regulations and ordinances that apply to swimming pools and the swim school industry and may require, in certain instances, that you obtain certain licenses or permits. These regulations may establish certain standards, specifications and requirements that must be followed by you. You may also be required to register your business location with a state agency.

You must obtain all required licenses and permits and ensure that your employees and others providing Services to customers on behalf of your SafeSplash Business have all required licenses and permits. The failure to maintain the proper licensing is a material breach of the Franchise Agreement. You must also perform criminal background checks on all of your employees. We also require your compliance with all provisions of the USA Patriot Act and Executive Order 13224.

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ITEM 2
BUSINESS EXPERIENCE

President: Chris Harkness

Chris Harkness has served as our President since May 2023. From September 2022 to May 2023, Mr. Harkness served as Brand President for Neighborly, located in Waco, Texas. From July 2021 to August 2022, he was Vice President of Stores for GameStop, located in Grapevine, Texas. From April 2010 to June 2021, he was Vice President of Strategy and Analytics for 7-Eleven, Inc., located in Irving, Texas. Mr. Harkness serves in his present capacities in Dallas, Texas.

Senior Vice President – Operations: Laurie Abplanalp

Laurie Abplanalp has been our Senior Vice President of Operations since August 2022. From January 2020 to August 2022, she was our Vice President of Launch Operations, Academy and Curriculum. She served as our Director of Launch Operations from January 2018 to December 2019. Ms. Abplanalp serves in her present capacities in Lone Tree, Colorado.

Vice President of System Support: Taylor Backes

Taylor Backes has been our Vice President of System Support since January 2024. From January 2023 to December 2023, she was our Vice President of Franchise Relationships and Compliance. She served as our Director / Senior Manager – Franchise Relationships from October 2016 to December 2022. Ms. Backes serves in her present capacities in Larkspur, Colorado.

Vice President – Build, Launch, and Growth: Andrew Kline

Andrew Kline has been our Vice President – Build, Launch, and Growth since January 2024. From January 2023 to December 2023, he was our Area Vice President of Company Owned Schools, Central & West TX. He served as Vice President of AquaKids Holdings, LLC, located in Fort Worth Texas, from August 2016 to December 2022. Mr. Kline serves in his present capacities in Fort Worth, Texas.

Vice President of Franchise Operations: Robert Frey

Robert Frey has been our Vice President of Franchise Operations since December 2023. From September 2023 to November 2023, he was an independent consultant in Dallas, Texas. From November 2021 to August 2023, he was Senior Director of Innovation and Off-Premise at Cracker Barrel Old Country Store, Inc. in Lebanon, Tennessee. From August 2021 to October 2021, he was an independent consultant in Dallas, Texas. From January 2018 to July 2021, he was Senior Director, Fresh Food Merchandising at 7-Eleven, Inc. in Dallas, Texas. Mr. Frey serves in his present capacities in Parker, Colorado.

Vice President of Marketing: Heather Anderson

Heather Anderson has been our Vice President of Marketing since May 2024. From October 2022 to May 2024, she was Vice President of Marketing at Eulerity, Inc. in New York, New York. From February 2022 to October 2022, she was Vice President of Operations & Enablement at Eulerity, Inc. in New York, New York. From July 2019 to February 2022, she was Vice President of Marketing at The Little Gym International, Inc. in Scottsdale, Arizona. Ms. Anderson serves in her present capacities in Scottsdale, Arizona.

Director of Business Development: Abby Hussey

Ms. Hussey has served as our Director of Business Development since June 2025. From June 2019 to May 2025, she served as President of BeActive, LLC, a franchisee operating an Urban Air Adventure Park, in Aurora, Colorado. Ms. Hussey serves in her present capacity in Denver, Colorado.

Chief Executive Officer of YEB: Robert Price

Mr. Price has served as Chief Executive Officer of our affiliate, YEB, since June 2025. From December 2024 to June 2025, he served as President of YEB. From February 2024 to December 2024, he was the Chief Customer Officer of YEB. From September 2024 to February 2024, he was the President of School of Rock in Canton, Massachusetts. From June 2017 to September 2023, he served as the Chief Executive Officer of the School of Rock in Canton, Massachusetts. Mr. Price serves in his present capacity in Nashville, Tennessee and Canton, Massachusetts.

Chief Development of Officer of YEB: Elliot Schiffer

Elliot Schiffer has been Chief Development Officer of YEB since April 2024. From June 2023 to March 2024, he was Interim Chief Executive Officer of Escalante's Comida Fina, Inc. in Houston, Texas. From February 2023 to May 2023, he was in between positions. From September 2017 to January 2023, he was the Chief Executive Officer of MHI Restaurant Group LLC in Denver, Colorado. Mr. Schiffer serves in his present capacities in Denver, Colorado.

General Counsel of YEB: Hali Hill

Hali Hill has served as General Counsel for YEB since May 2024. From August 2022 to May 2024, she was Deputy General Counsel of ServiceMaster Opco Holdings, LLC in Atlanta, Georgia. From April 2021 to August 2022, she was Senior Counsel for Intuit Inc. in Atlanta, Georgia. From July 2019 to April 2021, she was Counsel for Inspire Brands, Inc. in Atlanta, Georgia. Ms. Hill serves in her present capacities in Atlanta, Georgia.

Senior Vice President of Marketing of YEB: Alexandra Clougherty

Alexandra Clougherty has served as Senior Vice President of Marketing for YEB since January 2025. From January 2022 to December 2024, she was VP of Marketing for School of Rock LLC. From January 2020 to December 2021, she was Director of Digital Marketing at School of Rock LLC. Ms. Clougherty serves in her present capacities in Los Angeles, California.

ITEM 3
LITIGATION

Actions Involving the Franchise Relationship

Milly Ali v. LA Fitness, LLC, Fitness International, LLC, Streamline Brands, SafeSplash Swim School, LLC, SafeSplash Brands LLC, Westchester Swim Studios d/b/a SwimLabs Westchester, and Oman Gutierrez (N.Y. Supreme Court for Westchester County, Case No. 62625/2024, filed October 24, 2024). In this matter, a franchisee's customer filed a lawsuit against us, our franchisee, the franchisee's landlord (the operator of a Host Location), and the perpetrator related to a sexual assault of an adult that allegedly occurred at the Host Location. We filed a counterclaim against our franchisee to enforce the indemnification provision in our franchise agreement, after the franchisee and its insurance carrier refused to defend us against such claims. The case is pending as of the issuance date of this disclosure document.

Disclosures Regarding Predecessors

SwimLabs & Rehab Holding Company, Inc., a Colorado corporation from which we acquired substantially all of the assets comprising the SwimLabs® franchise system, entered into a Consent Order with the State of Washington Department of Financial Institutions, Securities Division ("**DFI**"), on May 17, 2021 (Consent Order Number S-21-3104-21-CO01). The Consent Order established that SwimLabs & Rehab Holding Company, Inc. violated RCW 19.100.020 and RCW 19.100.080 because it offered a franchise without registering in the State of Washington and did not provide the franchisee with a Franchise Disclosure Document prior to the sale of such franchise, respectively. The Consent Order required SwimLabs & Rehab Holding Company, Inc. to pay $500 to DFI. SwimLabs & Rehab Holding Company, Inc. is not affiliated with us in any way.

Disclosures Regarding Affiliated Programs

The following affiliates who offer franchises resolved actions brought against them with settlements that involved their becoming subject to currently effective injunctive or restrictive orders or decrees. None of these actions have any impact on us or our brand nor allege any unlawful conduct by us.

The People of the State of California v. Arby's Restaurant Group, Inc. (California Superior Court, Los Angeles County, Case No. 19STCV09397, filed March 19, 2019). On March 11, 2019, our affiliate, Arby's Restaurant Group, Inc. ("**ARG**"), entered into a settlement agreement with the states of California, Illinois, Iowa, Maryland, Massachusetts, Minnesota, New Jersey, New York, North Carolina, Oregon and Pennsylvania. The Attorneys General in these states sought information from ARG on its use of franchise agreement provisions prohibiting the franchisor and franchisees from soliciting or employing each other's employees. The states alleged that the use of these provisions violated the states' antitrust, unfair competition, unfair or deceptive acts or practices, consumer protection and other state laws. ARG expressly denies these conclusions but decided to enter into the settlement agreement to avoid litigation with the states. Under the settlement agreement, ARG paid no money but agreed (a) to remove the disputed provision from its franchise agreements (which it had already done); (b) not to enforce the disputed provision in existing agreements or to intervene in any action by the Attorneys General if a franchisee seeks to enforce the provision; (c) to seek amendments of the existing franchise agreements in the applicable states to remove the disputed provision from the agreements; and (d) to post a notice and ask franchisees to post a notice to employees about the disputed provision. The applicable states instituted actions in their courts to enforce the settlement agreement through Final Judgments and Orders, Assurances of Discontinuance, Assurances of Voluntary Compliance, and similar methods.

The People of the State of California v. Dunkin' Brands, Inc., (California Superior Court, Los Angeles County, Case No. 19STCV09597, filed on March 19, 2019.) On March 14, 2019, our affiliate, Dunkin Brands, Inc. ("**DBI**"), entered into a settlement agreement with the Attorneys General of 13 states and jurisdictions concerning the inclusion of "no-poaching" provisions in Dunkin' restaurant franchise agreements. The settling states and jurisdictions included California, Illinois, Iowa, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and the District of Columbia. A small number of franchise agreements in the Dunkin' system prohibit Dunkin' franchisees from hiring the employees of other Dunkin' franchisees and/or DBI's employees. A larger number of franchise agreements in the Dunkin' system contain a no-poaching provision that prevents Dunkin' franchisees and DBI from hiring each other's employees. Under the terms of the settlement, DBI agreed not to enforce either version of the no-poaching provision or assist Dunkin's franchisees in enforcing that provision. In addition, DBI agreed to seek the amendment of 128 franchise agreements that contain a no-poaching provision that bars a franchisee from hiring the employees of another Dunkin' franchisee. The effect of the amendment would be to remove the no-poaching provision. DBI expressly denied in the settlement agreement that it had engaged in any conduct that had violated state or federal law, and, furthermore, the settlement agreement stated that such agreement should not be construed as an admission of law, fact, liability, misconduct, or wrongdoing on the part of DBI. The Attorney General of the State of California filed the above-reference lawsuit in order to place the settlement agreement in the public record, and the action was closed after the court approved the parties' stipulation of judgment.

New York v. Dunkin' Brands, Inc. (N.Y. Supreme Court for New York County, Case No. 451787/2019, filed September 26, 2019). In this matter, the N.Y. Attorney General ("**NYAG**") filed a lawsuit against our affiliate, DBI, related to credential-stuffing cyberattacks during 2015 and 2018. The NYAG alleged that the cyber attackers used individuals' credentials obtained from elsewhere on the Internet to gain access to certain information for DD Perks customers and others who had registered a Dunkin' gift card. The NYAG further alleged that DBI failed to adequately notify customers and to adequately investigate and disclose the security breaches, which the NYAG alleged violated the New York laws concerning data privacy as well as unfair trade practices. On September 21, 2020, without admitting or denying the NYAG's allegations, DBI and the NYAG entered into a consent agreement to resolve the State's complaint. Under the consent order, DBI agreed to pay $650,000 in penalties and costs, issue certain notices and other types of communications to New York customers, and maintain a comprehensive information security program through September 2026, including precautions and response measures for credential-stuffing attacks.

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

If you purchase a SafeSplash Business for a Dedicated Location, you must pay us an initial franchise fee ("**Initial Franchise Fee**") of $55,000. If you purchase a SafeSplash Business for a Hosted Location, you must pay us an initial franchise fee of $37,500. If you purchase a SafeSplash Business for a Conversion Dedicated Location, you must pay us an initial franchise fee of $27,500. If you purchase a SafeSplash Business for a Conversion Hosted Location, you must pay us an initial franchise fee of $18,750. In each case, the Initial Franchise Fee is due to us at the time you sign the Franchise Agreement and is non-refundable for any reason once paid.

During our last fiscal year, we collected Initial Franchise Fees ranging from $55,000 to $65,000 for Dedicated Locations and from $35,000 to $37,500 for Hosted Locations, with the fee varying based on the number of locations, the Formats purchased, and previous contract commitments. During our last fiscal year, we did not sell any SafeSplash Business franchises in the Conversion Dedicated Location Formats or the Conversion Hosted Location Formats.

Area Development Rights

If you are approved to purchase more than one SafeSplash Business and enter into a Development Agreement, at the time of executing the Development Agreement, you must pay the applicable Initial Franchise Fee for all of the SafeSplash Businesses to be developed under the Development Agreement in a lump sum. The Initial Franchise Fee will be calculated based on the number of Franchised Businesses (of any Format) that you commit to develop and the Format (and number of each Format) of Franchised Businesses that you commit to develop:

Format and Number of Each Format	Number of Franchised Businesses (of Any Format) You Commit to Developing		
	One or Two	Three or Four	Five or More
First Dedicated Location	$55,000	$55,000	$55,000
Each Additional Dedicated Location	$55,000	$50,000	$45,000
First Conversion Dedicated Location	$27,500	$27,500	$27,500
Each Additional Conversion Dedicated Location	$27,500	$25,000	$22,500
First Hosted Location	$37,500	$37,500	$37,500
Each Additional Hosted Location	$37,500	$35,000	$32,500
First Conversion Hosted Location	$18,750	$18,750	$18,750
Each Additional Conversion Hosted Location	$18,750	$17,500	$16,250

For example, if you commit to developing six Franchised Businesses, including two Conversion Dedicated Locations, three Dedicated Locations, and one Hosted Location, the fee would be $232,500 ($27,500 for Conversion Dedicated Location #1, $22,500 for Conversion Dedicated Location #2, $55,000 for Dedicated Location #1, $45,000 for Dedicated Location #2, $45,000 for Dedicated Location #3, and $37,500 for Hosted Location #1).

In all circumstances, the Initial Franchise Fees are fully earned immediately upon being paid to us and are nonrefundable, regardless of whether you open any of the SafeSplash Businesses you are obligated to open under the Development Agreement. However, the funds collected will be credited against the applicable Initial Franchise Fee that is due under each Franchise Agreement for each of the SafeSplash Businesses that you develop under the Development Agreement (and the applicable Initial Franchise Fee under each Franchise Agreement shall be as specified in the Development Agreement), so that no additional Initial Franchise Fees will be due when you sign a related Franchise Agreement.

<u>Optional SwimLabs Technology Package</u>

If you purchase the right to utilize the SwimLabs Technology Package in conjunction with one or more Dedicated Locations, you must pay us a one-time fee of $10,000 per Dedicated Location for the right to offer the platform in your SafeSplash Business. The fee is non-refundable for any reason once paid. You must purchase the SwimLabs Technology Package from our designated vendors, as described in Item 11.

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ITEM 6
OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS (1)
Royalty	For a Dedicated Location and a Hosted Location (other than Conversion Locations): • 6% of Gross Revenues of your SafeSplash Business. For a Conversion Location: • 3% of Gross Revenues of your SafeSplash Business during the first 12 months of operation. • 4.5% of Gross Revenues of your SafeSplash Business during the second 12 months of operation. • 6% of Gross Revenues of your SafeSplash Business during the third 12 months of operation and thereafter.	When customer transaction is processed.	Required of all franchisees. See Note 2 for the definition of "Gross Revenues." Additionally, for all ancillary transactions, such as parties and retail sales, this amount will be collected via electronic funds transfer on a quarterly basis after you submit a report to us and we invoice you.
Enhanced Services Fee	Currently, 10% of Gross Revenues of your SafeSplash Business.	When customer transaction is processed.	In addition to the Royalty, you must pay the Enhanced Services Fee if you select the Enhanced Services Model and sign the Enhanced Services Addendum. The fee is subject to change by no more than two percentage points each year (i.e., if the Enhanced Services Fee is equal to 10% of Gross Revenues, it may not be increased above 12% of Gross Revenues in the next year) and the cumulative increase or decrease in the Enhanced Services Fee shall not exceed 10 percentage points (thus, the maximum Enhanced Services Fee shall

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS (1)
			not exceed 20% of Gross Revenues) during the term of the Franchise Agreement.
Strategic Marketing and Promotions Fee	2% of Gross Revenues, which we may increase, in our sole discretion, to up to 3% of Gross Revenues.	When customer transaction is processed.	These funds are used for programs and services associated with providing marketing support, possibly including, but not limited to national advertising, to generate marketing materials and for administrative costs associated with our marketing efforts.
Hosted Location Fee	Currently ranges from 10% to 25% of Gross Revenues as set by the Hosted Location owner or the base rent of $4,000 (whichever is greater), depending on the agreement we reach with each respective Hosted Location owner.	When customer transaction is processed or as arranged with Hosted Location owner.	When you operate in a Hosted Location we contract for directly, we will collect an additional amount of Gross Revenues equal to the remuneration due and owing to the Hosted Location's owner under our agreement with the Hosted Location's owner relating to your use of the Hosted Location. We will then disburse such amount to the Hosted Location's owner. There will be no Hosted Location Fee charged for facilities which you contract for directly.
Cooperative Advertising	Proportional share to be determined, but not to exceed 2% of Gross Revenues.	Monthly.	Payable only if a local advertising cooperative (a "**Cooperative**") is formed in your Authorized Territory. Any contributions you make to the Cooperative will be credited to your local advertising requirement (which is 2% of Gross Revenues, as described in Item 11).
Technology Fee	The current fee is the greater of $400 or 1% of Gross Revenues per month.	Monthly.	The Technology Fee is payable to us as a separate fee in the event that you are not utilizing the Enhanced Services Model. The Technology Fee will cover costs associated with the third-party, cloud-based software ("**School Operating and Management Software**") that will assist your SafeSplash Business in registration, customer service, payment processing, and other related services including, but not limited to, third-party software licensing fees and technical and administrative support provided by us or a designee of ours. We reserve the right to change the amount of the Technology Fee after providing you with 30 days' written notice, provided that the Technology Fee will not exceed the greater of (a) our and our affiliates' aggregate costs, plus a markup of 20% above such aggregate costs, (b) $1,000 per month, or (c) 2.5% of Gross Revenues per month. If you are using the Enhanced Services Model, the Technology Fee is included in the Enhanced Services Fee.
SwimLabs Client Cloud Portal Access Fee	The current fee per year is $125 per system.	As incurred and paid yearly.	This fee only applies to a Dedicated Location which utilizes the SwimLabs Technology Package and is paid to us to maintain your license that permits your clients' remote access to their swim lesson and analysis via the required Client Cloud Portal Access program. We may change this fee at any time, provided that the fee will be

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS (1)
			based on the actual costs and expenses charged to us by the third-party vendor that provides this program.
Inventory Purchases	Will vary based on needs.	On placement of order.	For products you purchase from an affiliate of ours, you will be required to pay that affiliate directly. See Note 3 for a description of inventory items.
Extension Fee	10% of the then-current Initial Franchise Fee.	As incurred.	Payable if you fail to open your SafeSplash Business by the required deadline and we, in our sole discretion, agree to extend the deadline. You must also execute a general release in order to obtain such an extension.
Successor Franchise Fee	10% of the then-current Initial Franchise Fee.	Upon execution of a successor Franchise Agreement.	If you sign a successor Franchise Agreement, you will pay 10% of the then-current Initial Franchise Fee.
Audit Fee	Cost of inspection or audit, including travel, lodging, meals, salaries and other expenses (including any contingent fee owed to the auditor of the inspecting or auditing personnel).	As incurred.	Payable only if you understate amounts by 2% or more or fail to submit reports when due.
Transfer Fee (Franchise Agreement)	30% of the then-current Initial Franchise Fee.	Before consummation of transfer.	Payable by you or your buyer if the Franchise Agreement or other interest in your SafeSplash Business is transferred by you. No transfer fee is due for transfers to an entity controlled by you or to your child, parent, sibling, spouse or domestic partner.
Transfer Fee (Development Agreement)	20% of the Initial Franchise Fees attributable to any undeveloped SafeSplash Businesses.	Before consummation of transfer.	Payable by you or your buyer if the Development Agreement or other interest in you is transferred by you.
Interest	Lesser of 1.5% per month or highest rate of interest allowed by law.	As incurred.	Begins to accrue the day after payment becomes past due.
Late Payment Fee	$250 per week.	As incurred.	Payable during any week until overdue payments are paid.
Late Reporting Fee	$100 per late record or document.	As incurred.	Payable if you fail to timely provide any business records, certificates of insurance, Gross Revenue statements, or other documentation or records that we request.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS (1)
Improper Sales Reporting Fee	125% of the Royalties, Enhanced Services Fees, Strategic Marketing and Promotions Fees, and other fees due related to the unrecorded sales transaction.	As incurred.	Payable if you fail to properly record a sales transaction in the manner specified in the Operations Manual.
Satellite Location Fee	An amount equal to 20% of our then-current Initial Franchise Fee for a Dedicated Location if the Satellite Location is linked to a Dedicated Location. An amount equal to 20% of our then-current Initial Franchise Fee for a Hosted Location if the Satellite Location is linked to a Hosted Location.	As incurred.	If you request, and we approve your request, to operate an additional permanent location within your Authorized Territory ("**Satellite Location**"), you must pay us the Satellite Location Fee.
Indemnification	Will vary under circumstances.	As incurred.	You must reimburse us if we are held liable for claims arising from your SafeSplash Business operations.
Cost of Testing and Investigation	Will vary depending on investigation necessary.	As incurred.	You must reimburse us for any and all reasonable costs we incur in investigating and determining whether any previously unapproved items or suppliers that you desire to use meet our standards and specifications.
Cost of Enforcement or Defense	All costs including accounting and attorney's fees.	Upon settlement or conclusion of claim or action.	You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement.
The Academy Training for Replacement Trainees	Currently, not charged.	As incurred.	We have the right to charge you a fee for any subsequent or replacement Designated Business Manager or approved trainee that attends The Academy, provided that the fee shall not exceed $1,000 per trainee for the program. You will also be responsible for their travel and living expenses.
Requested Additional Assistance	Currently, not charged.	As incurred.	Additional training and assistance are available if you request. We have the right to charge you for additional on-site training and assistance, provided that the fee will not exceed $1,000 per representative per day, plus their travel and living expenses.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS (1)
Meetings, Seminars, Conferences, or Programs	Currently, up to $1,000 per attendee per event.	As incurred.	We reserve the right to conduct periodic meetings, seminars, conferences, or programs, which we may require you or your Designated Business Manager to attend. You may be required to pay us a registration fee for any events that you or your representatives attend. We may increase the registration fee, provided that the fee will not increase by more than 200% during the current term of the Franchise Agreement. In addition, you are responsible for any travel and living expenses you or they incur.
Relocation Fee	$5,000.	As incurred.	If you intend to relocate your SafeSplash Business, you must pay to us a Relocation Fee for us to evaluate the location to which you desire to relocate your SafeSplash Business. Once your SafeSplash Business has opened for business, you may only relocate the SafeSplash Business by complying with our relocation policy and procedures specified in the Operations Manual.

All of these fees are non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may or may not be refundable depending on your arrangement with your vendors and suppliers. All fees are uniformly imposed.

Notes:

1. Payment Methods. You must make all payments to us by the methods and due dates that we specify from time to time in the Operations Manual or otherwise in writing, which may include, among other options, (i) payment via electronic funds transfer from Franchisee's bank account or similar electronic debit ("**Electronic Payments**") or (ii) payment automatically disbursed to Franchisor by a designated merchant services processor from Gross Revenues collected from customers at the same time the remainder of Gross Revenues is disbursed to Franchisee ("**Processor Payments**"). Currently, the Royalty, Strategic Marketing and Promotions Fee, Enhanced Services Fee, and (in most cases) Hosted Location Fee (collectively, the "**Operating Fees**") are paid through Processor Payments when each customer transaction is completed. Currently, we collect Operating Fees for ancillary transactions, such as parties and retail sales, via Electronic Payments on a quarterly basis after you submit a report to us and we provide an invoice to you. We may change the payment methods and due dates for any fees in our sole discretion, and you must comply with procedures specified by us and/or perform such acts and deliver and execute such documents that we specify (including an EFT authorization), as may be necessary to assist in or accomplish payment by the method we designate.

2. Gross Revenues. "**Gross Revenues**" means all revenue that you receive or otherwise derive from operating your SafeSplash Business and/or using the System or the Marks (including all revenue from swimming-related and aquatics-related services, retail sales, parties, coaches fees, Annual Service Fees (as defined below), Late Withdrawal Fees (as defined below), and sales made away from the facility), whether the receipts are evidenced by cash, credit, checks, gift certificates, services, property, or other means of exchange. Gross Revenues do not include: (1) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers of the SafeSplash Business, provided that the amount of any such tax is shown separately and in fact paid by you to the appropriate governmental authority; and (2) all customer refunds and valid discounts and credits made by the SafeSplash Business (exclusions will

not include any reductions for credit card user fees, returned checks or reserves for bad credit or doubtful accounts).

"**Annual Service Fees**" means all monies charged and revenue collected to register customers and administer customer accounts for swim lessons provided by the SafeSplash Business.

"**Late Withdrawal Fees**" means all monies charged and revenue collected from customers for late withdrawing customers for swim lessons provided by the SafeSplash Business.

3. Inventory Purchases. You must at all times maintain an inventory of retail products and swimmer recognition items including, but not limited to, ribbons and training tools such as barbells, alignment boards, kickboards, swim sticks, swim toys, swim noodles, floating mats, baskets and sinkable toys in accordance with our guidelines included in the Operations Manual.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

DEDICATED LOCATION

Type of Expenditure (1)	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (2)	$55,000	$55,000	Lump sum.	Upon signing the Franchise Agreement.	Us.
Training Expenses (3)	$3,000	$4,000	As incurred.	Varied times.	Airlines, hotels and personnel.
Rent – Initial Deposit (4)	$10,000	$15,000	Lump sum.	Prior to opening.	Landlord.
Soil and Architecture (5)	$15,000	$18,000	Lump sum.	Prior to opening.	Geotechnology and architectural firms.
Net Leasehold Improvements (6)	$679,550	$949,800	As arranged.	As arranged.	Approved contractors, vendors, and suppliers.
Furniture, Fixtures, Electronic and Technology Equipment, and Signage (7)	$50,000	$70,000	As incurred.	As arranged.	Vendors and suppliers.
Retail Inventory (8)	$3,000	$5,000	As incurred.	Prior to opening.	Vendors and suppliers.
Advertising & Marketing (9)	$25,000	$28,900	As arranged.	Varied times.	Vendors and suppliers.
Insurance (10)	$5,000	$12,000	Lump sum.	Prior to opening.	Insurance company.
Professional Services (11)	$5,000	$10,000	Lump sum.	Prior to opening.	Professional firms.

Type of Expenditure (1)	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is to be Made
Licenses and Permits (12)	$4,400	$10,000	As incurred.	Varied times.	County and City Departments.
Additional Funds for Operating Reserve - Three Months (13)	$90,000	$150,000	As arranged.	As incurred.	Vendors, suppliers and personnel.
TOTAL (14)	**$944,950**	**$1,327,700**			

YOUR ESTIMATED INITIAL INVESTMENT

DEDICATED LOCATION WITH A SWIMLABS TECHNOLOGY PACKAGE

Type of Expenditure (1)	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is to be Made
Total Estimated Initial Investment for a Dedicated Location (see table above)	$944,950	$1,327,700			
SwimLabs Technology Package and Related Improvements (15)	$110,000	$160,000	As incurred.	As arranged.	Vendors, suppliers, and us
TOTAL (14)	**$1,054,950**	**$1,487,700**			

YOUR ESTIMATED INITIAL INVESTMENT

CONVERSION DEDICATED LOCATION

Type of Expenditure (1), (16)	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (2)	$27,500	$27,500	Lump sum.	Upon signing the Franchise Agreement.	Us.
Training Expenses (3)	$3,000	$4,000	As incurred.	Varied times.	Airlines, hotels and personnel.
Net Leasehold Improvements (6)	$0	$100,000	As arranged.	As arranged.	Approved contractors, vendors, and suppliers.
Furniture, Fixtures, Electronic and Technology Equipment, and Signage (7)	$35,000	$65,000	As incurred.	As arranged.	Vendors and suppliers.
Retail Inventory (8)	$3,000	$5,000	As incurred.	Prior to opening.	Vendors and suppliers.

Type of Expenditure (1), (16)	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is to be Made
Advertising & Marketing (9)	$0	$5,000	As arranged.	Varied times.	Vendors and suppliers.
Insurance (10)	$5,000	$12,000	Lump sum.	Prior to opening.	Insurance company.
Professional Services (11)	$0	$7,500	Lump sum.	Prior to opening.	Professional firms.
Licenses and Permits (12)	$0	$20,000	As incurred.	Varied times.	County and City Departments.
Additional Funds for Operating Reserve - Three Months (13)	$0	$60,000	As arranged.	As incurred.	Vendors, suppliers and personnel.
TOTAL (14), (16)	**$73,500**	**$306,000**			

YOUR ESTIMATED INITIAL INVESTMENT

HOSTED LOCATION

Type of Expenditure (1)	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (2)	$37,500	$37,500	Lump sum.	Upon signing the Franchise Agreement.	Us.
Training Expenses (3)	$2,000	$3,500	As incurred.	Varied times.	Airlines, hotels and personnel.
Furniture, Fixtures, Electronic and Technology Equipment, and Signage (7)	$2,000	$4,000	As incurred.	As arranged.	Vendors and suppliers.
Retail Inventory (8)	$500	$1,000	As incurred.	Prior to opening.	Vendors and suppliers.
Advertising & Marketing (9)	$5,000	$7,500	As arranged.	Varied times.	Vendors and suppliers.
Insurance (10)	$2,000	$2,500	Lump sum.	Prior to opening.	Insurance company.
Professional Services (11)	$1,000	$3,000	Lump sum.	Prior to opening.	Professional firms.
Licenses and Permits (12)	$0	$2,000	As incurred.	Varied times.	County and City Departments.
Additional Funds for Operating Reserve - Three Months (13)	$7,500	$20,000	As arranged.	As incurred.	Vendors, suppliers and personnel.
TOTAL (14)	**$57,500**	**$81,000**			

YOUR ESTIMATED INITIAL INVESTMENT

CONVERSION HOSTED LOCATION

Type of Expenditure (1), (16)	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (2)	$18,750	$18,750	Lump sum.	Upon signing the Franchise Agreement.	Us
Training Expenses (3)	$2,000	$3,500	As incurred.	Varied times.	Airlines, hotels and personnel.
Furniture, Fixtures, Electronic and Technology Equipment, and Signage (6)	$0	$4,000	As incurred.	As arranged.	Vendors and suppliers.
Retail Inventory (8)	$500	$1,000	As incurred.	Prior to opening.	Vendors and suppliers.
Advertising & Marketing (9)	$0	$2,500	As arranged.	Varied times.	Vendors and suppliers.
Insurance (10)	$2,000	$2,500	Lump sum.	Prior to opening.	Insurance company.
Professional Services (11)	$1,000	$3,000	Lump sum.	Prior to opening.	Professional firms.
Licenses and Permits (12)	$0	$2,000	As incurred.	Varied times.	County and City Departments.
Additional Funds for Operating Reserve - Three Months (13)	$0	$20,000	As arranged.	As incurred.	Vendors, suppliers and personnel.
TOTAL (14), (16)	**$24,250**	**$57,250**			

Notes relating to all four of the tables above:

1. Expenditures. All fees imposed by us or our affiliates are non-refundable unless otherwise noted. Fees and expenses paid to vendors or other third parties may or may not be refundable depending on the arrangements you make with them. These tables do not include reduced fees, which are disclosed in the notes below.

2. Initial Franchise Fee. The Initial Franchise Fee is due when you sign the corresponding Franchise Agreement and is non-refundable once paid. Depending on whether you enter into a Development Agreement and the number of Franchised Businesses you commit to develop in each Format, the Initial Franchise Fee ranges from $45,000 to $55,000 for Dedicated Locations, $22,500 to $27,500 for Conversion Dedicated Locations, $32,500 to $37,500 for Hosted Locations, and $16,250 to $18,750 for Conversion Hosted Locations. See Item 5 for additional details.

3. Training Expenses. Some or all of the initial training program will be conducted in the Denver, Colorado metropolitan area. You must pay for airfare, meals, transportation costs, salaries, benefits, lodging and incidental expenses for all initial training program attendees.

4. Rent - Initial Deposit. If you do not use the space we have contracted for under one of our Hosted Location facility contracts, you must obtain or lease space for your SafeSplash Business. Generally, this will require that you pay one month's rent as a security deposit, at the time you sign the lease, which is reflected in the estimate. The estimate assumes that your monthly rent will commence upon receipt of your certificate of occupancy at the commencement of business operations. We expressly prohibit you or your franchisee entity, as the case may be, from owning the space in which you operate your SafeSplash Business. However, we will permit you to own such space via a separate entity you create that leases the premises to you in a commercially reasonable lease, along with our approved lease addendum. In the event you choose to form a separate entity to own the space in which you operate your SafeSplash Business, you are solely responsible for researching the initial and ongoing expenses associated with doing so. SafeSplash Businesses are typically located in commercial and retail settings and typically require approximately 4,500 square feet. In most cases, the terms and conditions of all agreements relating to the purchase, lease and alteration of the property will be negotiated solely by you; however, we require you to incorporate certain provisions into your lease. Hosted Locations and Conversion Locations are not expected to incur rent-related expenses prior to opening.

5. Soil and Architecture. It is critical that your approved pool engineering and design firm understands the soils where your pool is going to be constructed. If your space is relatively new, you should be able to obtain a Geotechnical Engineering Soil Report. If the report is not available, you will need to contract with a geotechnical engineering firm to collect core soil samples and perform a soil report.

   You must hire an approved architect to create construction documents for your project. As of the issuance date of this Franchise Disclosure Document, we have one approved architect. If you wish to select a non-approved architect, you must submit a request to have your selected architect approved before you provide him/her with our Brand Design Guidelines. The architect will be contracted by you, and you will manage all payments to such architect.

6. Net Leasehold Improvements. These amounts include our best estimate of the range of costs of net leasehold improvements for our prototype plans for a Dedicated Location in a standard finished 4,500 square foot retail shell (commonly referred to as a "vanilla shell") and will likely vary substantially based on local conditions, including the availability and prices of labor and materials, and the amount of the tenant improvement allowance ("**TIA**"), if any, that you obtain. The estimate assumes that basic plumbing, electricity, and HVAC systems already exist on the premises. This estimate includes expenses for (i) design and construction for the Franchised Business, including one 1,000 to 1,250 square foot pool; (ii) pool supplies; (iii) the design, purchase, and installation of an additional HVAC system with robust dehumidification capabilities (which is in addition to the standard HVAC system that we assume will already be in place); (iv) aquatic supplies and equipment, including ADA lift; and (v) project management. You must engage an approved pool engineering and design firm to create pool and pump room engineering and design/construction documents and may, depending on your experience level, choose to hire an approved project manager to assist you through architectural design, permitting, contractor selection, and general construction management. We currently have one approved pool engineering and design firm and one approved construction management company. The estimate does not include (a) the costs of any necessary site development or site engineering work; (b) the cost to build larger pools or more pools than the two we recommend; and (c) the cost for you to purchase unimproved land and construct a free-standing SafeSplash Business, which would result in a significantly greater initial investment.

   The estimate assumes that the net leasehold improvements will range between $151 to $211 per square foot, which includes a deduction from both the high and low-end estimates of a $55 per square foot tenant improvement allowance ("**TIA**"). The variance in per square foot costs are related to a number of factors, including (i) the type or prior use of the leased premises, (ii) local market conditions, and (iii) the interior finishes, electrical upgrades, and other necessary construction work to adapt the space to the specific requirements of a SafeSplash Business. TIA involves funds that you may be able to obtain from the landlord for the purpose of making improvements or customizations to a leased space for your franchised business operations. In our experience, franchisees typically obtain from their landlord a TIA that meets or exceeds $55 per square foot, but there is no guarantee that you will receive a TIA at all or a TIA that meets or exceeds that amount. The specific amount of the TIA, how it can be used, and the process for disbursing the funds are crucial details that should be clearly outlined in your lease. If you do not obtain a TIA, the cost of leasehold improvements is estimated to range between $206 to $266 per square foot. Please note that for loan purposes, banks will not typically allow a franchisee to reduce its loan amount by the amount of a TIA but may consider it to be additional working capital for the franchisee.

7. Furniture, Fixtures, Electronic and Technology Equipment, and Signage. These amounts include the estimated amounts for furniture and fixtures for your SafeSplash Business. If you purchase a Dedicated Location, this estimate includes the cost to purchase the following electronic and video equipment: wiring, security system, televisions, computers, Internet service, telephones, printer, copier, and other electronic equipment as set forth in the Operations Manual.

   If you purchase a Conversion Location, these amounts include the estimated amounts for purchasing and installing furniture and fixtures that comply with our brand standards, if your existing furniture and fixtures do not. You must purchase our approved signage for your SafeSplash Business. In connection with our approved signage company, we will provide you with the specifications that must be followed. If you purchase a Converted Location, we will reimburse you up to $20,000 for the out-of-pocket expenses you incur in connection with re-branding your business to a SafeSplash Business, which should cover most of your signage costs if you have one exterior sign. Such reimbursement only applies to the out-of-pocket expenses you incur during the first two months after the effective date of your Franchise Agreement. The estimate includes the expenses that are above and beyond the $20,000 in re-branding expenses that we will reimburse to you.

8. Retail Inventory. This estimate includes the cost to purchase your initial inventory of retail lines. You must also purchase ribbons and training tools including, but not limited to, barbells, kickboards, swim sticks, swim toys, swim noodles, floating mats, baskets, sinkable toys and other products as set forth in the Operations Manual.

9. Advertising & Marketing. The amounts set forth in the tables above represent the estimated amounts that you will spend on advertising and marketing in the first three months of operation. For Dedicated Locations and Hosted Locations (other than Conversion Locations), these amounts include the amounts you must spend on promotional advertising, marketing, and public relations efforts within your Authorized Territory within the time frame from 90 days before you open and 30 days after you open your location, which are $25,000 for a Dedicated Location and $5,000 for a Hosted Location. If you purchase a Conversion Location, there is no such specific requirement involving initial local advertising expenses. However, you will be required to meet ongoing local advertising expense requirements which may be comparable to what you previously spent in promoting your business. As a result, for those formats, these amounts represent the estimated amounts you will spend in addition to your ongoing local advertising expense requirements.

10. Insurance. These amounts represent the estimated amount you will need to pay for your first year of general liability coverage (including swimmer liability and misconduct insurance coverage) and

workers compensation coverage, as described in the Operations Manual, which you will need to secure before opening your SafeSplash Business. These amounts also account for the umbrella coverage you will likely carry, particularly in connection with Hosted Locations, based on the host facility provider's requirements. Generally speaking, in addition to the coverage limits you select, your general liability premiums will be determined based on the number of participants in your swim school, and your workers compensation premiums will be determined based on your employee payroll. For Dedicated Locations, these amounts also account for business personal property coverage and tenant improvement and betterment coverage.

11. Professional Services. These projected amounts relate to legal, accounting, and other professional services expenses associated with opening your SafeSplash Business. All such services will be sourced by you independent of the franchisor's involvement. These expenses include, but are not limited to, company formation, franchise agreement review, lease review, contract review and the preparation of budgets and / or a financial accounting system.

12. Licensing and Permits. These projected amounts relate to the range of costs for obtaining approval from various government agencies, including those associated with building and health department regulators regarding your location.

13. Additional Funds. For Swim Facilities other than Conversion Locations, these amounts include estimated operating expenses you should expect to incur during the first three months of operations. They include payroll costs (but not a draw or salary for you), taxes, rent, costs for supplies, costs for business licenses, costs for insurance policies, accounting and other professional fees, and other operational expenses. If you operate a Dedicated Location, the estimates include the cost for utilities.

    The Additional Funds category includes an estimate of the rent you will pay for a Hosted Location or Dedicated Location after opening. If you operate a Hosted Location, you typically will begin incurring rent after you open. If we have contracted directly with the facility to allow you to use a space for your Hosted Location, you must pay us the Hosted Location Fee, which shall be equal to the amount we pay the facility owner, which shall be the greater of (a) 10% to 25% of Gross Revenues or (b) the base rent of $4,000 depending on the agreement that we reach with the third-party fitness center, health club or other contracted pool facility that serves as the host for your location. This amount is collected by the merchant services processor used by your SafeSplash Business and disbursed to us (along with other amounts due and owing to us) at the same time the remainder of Gross Revenues from such transaction is disbursed to you. If you operate a SafeSplash Business under our Hosted Location format and enter into a revenue-sharing arrangement with the hosted facility, it is possible you will not have any rent payments.

    For Conversion Locations, the Additional Funds includes additional funds you may need to cover your ongoing operating expenses if you need to temporarily stop operating your existing swim facility during the conversion process or incur additional expenses as a result of the conversion.

14. Total Estimated Initial Investment. We relied on our business experience to compile these estimates. You pay no other fees to us or our affiliates to begin operation of your SafeSplash Business. Except as described otherwise in this Franchise Disclosure Document, we do not refund any fees. Fees paid to any third party may be refundable, depending upon the contract, if any, between you and the third party.

15. SwimLabs Technology Package and Related Improvements. If you purchase the optional SwimLabs Technology Package in connection with the operation of a Dedicated Location, you will incur all of the costs that you would incur to develop a standard Dedicated Location, plus additional

costs related to designing and installing an additional single tank with one flow head and the SwimLabs Technology Package. We estimate you will incur the following additional costs to accommodate the necessary technology and leasehold improvements: (i) a $10,000 fee payable to us (as described in Item 5), (ii) approximately $30,000 to $60,000 in additional leasehold improvements, (iii) approximately $1,650 to $2,200 in additional pool engineering and design expenses, (iv) approximately $65,350 to $82,800 in additional tank installation expenses, and (v) approximately $3,000 to $5,000 in additional expenses related to purchasing and installing the electronic and technology equipment, including the cost to (a) purchase the electronic and video equipment to operate the video analysis product (as described in Item 11), including additional wiring, computers, components, and underwater cameras, (b) install the equipment in the tank, and (c) pay for the travel expenses incurred by our technical personnel in assisting in the installation of any video technology at your site. If you choose to install the SwimLabs Technology Package in more than one tank, your costs will increase.

16. Conversion Dedicated Location and Conversion Hosted Locations. The estimates provided for Conversion Locations include the costs that we estimate that you will incur converting your existing swim facility to a Conversion Location. As your business will already be operating and generating revenue, we have not included in these estimates the operating costs that you have already been incurring in the operation of your existing business, such as payroll costs, taxes, rent, insurance, accounting and other professional fees, and other ongoing operational expenses. This estimate includes the expenses that you are likely to incur in addition to your ongoing operational expenses, such as expenses related to adding or upgrading equipment, renovating or refurbishing your existing facility, and attending training. We do not permit Conversion Locations to install the SwimLabs Technology Package. Your expenses will vary depending on variables such as the condition and design of your existing facility, the existing equipment you use, your existing insurance coverage, and your existing marketing and operating practices.

YOUR ESTIMATED INITIAL INVESTMENT

FOR YOUR FIRST DEDICATED LOCATION UNDER THE DEVELOPMENT AGREEMENT

Type of Expenditure (1)	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee for First Dedicated Location (2)	$55,000	$55,000	Lump sum.	Upon signing the Development Agreement.	Us.
Initial Franchise Fee for Additional Dedicated Locations (2)	$55,000	$55,000 (Varies by Number Committed)	Lump sum.	Upon signing the Development Agreement.	Us.
All of the expenses noted above for a single-unit Dedicated Location (not including the Initial Franchise Fee).	$889,950	$1,432,700	As arranged.	As incurred.	Varies as outlined in table above.
TOTAL (3)	**$999,950**	**$1,542,700 (3)**			

YOUR ESTIMATED INITIAL INVESTMENT

FOR YOUR FIRST CONVERSION DEDICATED LOCATION UNDER THE DEVELOPMENT AGREEMENT

Type of Expenditure (1)	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee for First Dedicated Location (2)	$27,500	$27,500	Lump sum.	Upon signing the Development Agreement.	Us.
Initial Franchise Fee for Additional Dedicated Locations (2)	$27,500	$27,500 (Varies by Number Committed)	Lump sum.	Upon signing the Development Agreement.	Us.
All of the expenses noted above for a single-unit Conversion Dedicated Location (not including the Initial Franchise Fee).	$46,000	$279,000	As arranged.	As incurred.	Varies as outlined in table above.
TOTAL (3)	**$101,000**	**$334,000 (3)**			

YOUR ESTIMATED INITIAL INVESTMENT

FOR YOUR FIRST HOSTED LOCATION UNDER THE DEVELOPMENT AGREEMENT

Type of Expenditure (1)	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee for First Hosted Location (2)	$37,500	$37,500	Lump sum.	Upon signing the Development Agreement.	Us.
Initial Franchise Fee for Additional Hosted Locations (2)	$37,500	$37,500 (Varies by Number Committed)	Lump sum.	Upon signing the Development Agreement.	Us.
All of the expenses noted above for a single-unit Hosted Location (not including the Initial Franchise Fee).	$20,000	$43,500	As arranged.	As incurred.	Varies as outlined in table above.
TOTAL (3)	**$95,000**	**$118,500 (3)**			

YOUR ESTIMATED INITIAL INVESTMENT

FOR YOUR FIRST CONVERSION HOSTED LOCATION UNDER THE DEVELOPMENT AGREEMENT

Type of Expenditure (1)	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee for First Hosted Location (2)	$18,750	$18,750	Lump sum.	Upon signing the Development Agreement.	Us.
Initial Franchise Fee for Additional Hosted Locations (2)	$18,750	$18,750 (Varies by Number Committed)	Lump sum.	Upon signing the Development Agreement.	Us.
All of the expenses noted above for a single-unit Hosted Location (not including the Initial Franchise Fee).	$5,500	$38,500	As arranged.	As incurred.	Varies as outlined in table above.
TOTAL (3)	**$43,000**	**$76,000 (3)**			

Notes relating to all four of the tables above:

1. Expenditures. All fees imposed by us or our affiliates are non-refundable unless otherwise noted. Fees and expenses paid to vendors or other third parties may or may not be refundable depending on the arrangements you make with them.

2. Deposit and Initial Franchise Fee. If you enter into a Development Agreement, at the time of executing such Development Agreement, in addition to the $55,000 Initial Franchise Fee for the first Dedicated Location ($37,500 for the first Hosted Location, $27,500 for the first Conversion Dedicated Location, and $18,750 for the first Conversion Hosted Location) as noted above, you will also pay to us the Initial Franchise Fees for all of the subsequent SafeSplash Businesses to be developed under the Development Agreement in a lump sum. Accordingly, the low-end estimate in the table above reflects the amount due for a Development Agreement involving two Dedicated Locations, Hosted Locations, Conversion Dedicated Locations, or Conversion Hosted Locations, as applicable in the table. However, because the amount varies based on the number of SafeSplash Businesses to be developed under the Development Agreement, the high-end estimate will vary. In the tables above, we have inserted the minimum high-end estimate, which is the amount to develop two SafeSplash Businesses. When you open any of the subsequent SafeSplash Businesses under the Development Agreement, the portion of the Initial Franchise Fee corresponding to that particular subsequent SafeSplash Business will be credited against the Initial Franchise Fee you must pay for that SafeSplash Business.

3. Total Estimated Initial Investment. The Total Estimated Initial Investment includes the costs to develop your initial SafeSplash Business and all of the Initial Franchise Fees paid in a lump sum for the right to develop subsequent SafeSplash Businesses. Both the low and the high estimate assumes you will develop two SafeSplash Businesses. The high estimate for Dedicated Locations assumes that you are building two Dedicated Locations with the SwimLabs Technology Package, while the low estimate assumes your Dedicated Locations will not have such package. Because the amount of the total Initial Franchise Fee varies based on the number of SafeSplash Businesses to be developed under the Development Agreement, please note the high-end estimate for the Total Estimated Initial Investment in the table above

will increase accordingly based on the number of SafeSplash Businesses to be developed under the Development Agreement. In addition, you will incur the initial investment costs for a single-location unit for each additional SafeSplash Business that you develop.

We relied on our business experience to compile these estimates. You pay no other fees to us or our affiliates to begin operation of your SafeSplash Business. Except as described otherwise in this Franchise Disclosure Document, we do not refund any fees. Fees paid to any third party may be refundable, depending upon the contract, if any, between you and the third party.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must establish and operate your SafeSplash Business in compliance with your Franchise Agreement and the standards and specifications contained in the confidential operations manual ("**Operations Manual**") provided to you by us. The Operations Manual consists of one or more manuals, technical bulletins or other written materials and may be modified by us periodically. The Operations Manual may be in printed or in an electronic format in our discretion. We reserve the right to require you to use an electronic version of the Operations Manual and to require you to access the document using the Internet or an intranet created and supported by us. You will have the opportunity to view the Operations Manual at our headquarters before purchasing the right to operate your SafeSplash Business, provided you agree in writing to keep its content confidential. The Table of Contents for the Operations Manual is attached to this Franchise Disclosure Document as **Exhibit D**.

You must provide specified services and sell specified products. We reserve the right to require that you sell additional or different services and products in your SafeSplash Business on 30 days prior written notice to you. You must provide services and sell products per our specifications and standards. We reserve the right to change standards and specifications upon prior written notice to you.

We may, in our sole discretion, require that products, services, furniture, fixtures, equipment, signage, tools, inventory, supplies, uniforms, and hardware and software ("**Goods and Services**") that you purchase for resale or purchase or lease for use in your SafeSplash Business: (i) meet specifications that we establish from time to time; (ii) be a specific brand, kind, or model; (iii) be purchased or leased only from suppliers or service providers that we have expressly approved; and/or (iv) be purchased or leased only from a single source that we designate (which may include us or our affiliates or a buying cooperative organized by us or our affiliates). We have the right to require you to discontinue purchasing any Goods and Services from a designated or approved supplier, manufacturer or distributor and may designate or approve new suppliers, manufacturers or distributors at any time in our sole discretion.

Currently, the majority of the equipment, uniforms, fixtures, supplies, inventory, goods, signage, forms, products, services, advertising materials and other services and products used in, sold or provided through your SafeSplash Business are subject to our specifications and standards and/or must be purchased only from us, our affiliates or our designated or approved suppliers and distributors. We currently do not have any specifications or sourcing requirements related to construction management services, pool engineering and design services, certain equipment, and professional services, but we reserve the right to add such specifications or restrictions in the future.

You may request that we approve or designate a new supplier or new Goods and Services by following the procedures and paying all required fees and expenses for approval, as set forth in the Operations Manual and modified periodically by us in our sole discretion. We will not unreasonably withhold the approval of a supplier or new Goods and Services; however, in order to make such determination, we may require that samples from a proposed new supplier or of a proposed item be delivered to us for testing and approval prior to use. We reserve the right to require you to pay or reimburse us for the reasonable cost of investigation in determining whether such supplier or new Goods and Services satisfy our specifications. In approving or disapproving a proposed supply or supplier, we apply the following general criteria, which are also included in the Operations Manual: (1) quality of product or service in relation to our specifications and quality standards; (2) price; and (3) whether we deem the supply or supplier necessary or desirable for the System as a whole. We may deny our approval of suppliers based upon the lack of any of the aforementioned items. We will typically notify you of our approval or disapproval of a proposed supplier, product or service within 60 days of receiving all requested information. If you do not hear from us regarding your request, your request will be deemed to have been disapproved by us.

If you choose the Enhanced Services Model, we will provide you with the Enhanced Services. Streamline Holdings also offers certain products and supplies to franchisees. The officers of SafeSplash Holdings own an indirect ownership interest in us and Streamline Holdings. There are currently no other approved suppliers in which one of our officers owns an interest.

We estimate that the purchase of these supplies, equipment, inventory, fixtures, goods, services and products from us or our designated or approved sources, or those meeting our standards and specifications, will be approximately 75% of the total purchases or leases of goods or services necessary to establish a SafeSplash Business and 65% to 75% of the total purchases or leases of goods or services necessary to operate a SafeSplash Business.

Our affiliates which serve as designated suppliers (as described above) will derive revenue from the purchases or leases you enter into with them for the services and products they provide, typically as a percentage of such purchases or leases. Although we do not currently have arrangements in place to do so, in the future we reserve the right to derive revenue from your purchases or leases of inventory, fixtures, supplies and equipment from our designated suppliers and distributors.

During the most recent fiscal year which ended on December 31, 2024, we derived $3,016,627 in revenues relating to the provision of Enhanced Services from franchisees throughout our franchise network.

During the most recent fiscal year which ended on December 31, 2024, we and our affiliates did not derive any revenue, including rebates or annual conference sponsorship commitments, relating to required franchisee purchases or leases.

We reserve the right to take whatever action we deem necessary in our discretion to prevent you from selling unauthorized services or products or using unauthorized suppliers including seeking injunctive relief or terminating your Franchise Agreement.

You must also purchase computer hardware and software from suppliers that meet our standards and specifications or obtain our written approval to purchase other equipment. We will respond to requests for approval to purchase equipment other than the computer system within thirty days from the date the request is received. We estimate that the cost for the computer system will range from $2,000 to $6,000. The minimum amount you will pay to access our required School Operating and Management Software system is $4,800 per year, unless you have contracted or Enhanced Services, in which case such amount is included in your costs for receiving Enhanced Services.

We currently require you to maintain the following insurance coverage through a provider approved by us. Please note these insurance requirements are subject to change.

- General liability in the amount of $1,000,000 per occurrence, which is part of your Customer Support Service Fee. This is currently Commercial General Liability insurance in the amount of $1,000,000 per occurrence, $2,000,000 aggregate, an endorsement of a $250,000 sub-limit for Abuse and Molestation coverage.

- Workers' Compensation insurance consistent with applicable law

You may consider carrying more insurance than this and/or may consider other types of insurance. Examples of that include, but are not limited to:

- Hired and Non-owned Auto Coverage
- Employment Practices Liability Coverage
- Business Income Coverage
- Professional Liability

In addition, if appropriate, you must have additional coverage that is designated by the Hosted Facility in which your swim school is located, with the facility and landlord named as an additional insured. Such coverage may include Employer's Liability, Business Automobile Liability, and Umbrella/Excess Liability insurance.

In some instances, we negotiate purchase arrangements with suppliers or vendors to obtain price terms and/or other benefits of a buying cooperative for our franchisees. In most cases, taking advantage of these terms and/or benefits are at the discretion of the franchisee.

We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

FRANCHISE AGREEMENT

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
a. Site selection and acquisition / lease	8.4 & 9.2	3.1(a) and 3.1(b)1.A.	7, 11, and 12
b. Pre-opening purchases / leases	3.3, 9.2, 9.3, 9.10, 10 & 12	3.1(b)1.	7 and 8
c. Site development and other pre-opening requirements	8.4 & 9.2	3.1(b)1., 3.1(c), and 3.2	6, 7 and 11
d. Initial and ongoing training	8.2, 8.5, & 9.3	Not Applicable	7 and 11
e. Opening	9.11	3.2	7 and 11
f. Fees	6	2 and 3.2(c)	5, 6 and 7
g. Compliance with standards and policies / Operations Manual	3, 6, 7, 8, 9, 10 & 18	Not Applicable	1, 8, 11, 13 and 14
h. Trademarks and proprietary information	11	10	13 and 14
i. Restrictions on products / services offered	9.4	Not Applicable	8 and 16

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
j. Warranty and customer service requirements	9.3(h)	Not Applicable	Not Applicable
k. Territorial development and sales quotas	9.1	4	1 and 12
l. Ongoing product / service purchases	9 and 10	Not Applicable	8
m. Maintenance, appearance and remodeling requirements	9.2	Not Applicable	8
n. Insurance	13.1	3.1(c)	6
o. Advertising	12	Not Applicable	6, 7 and 11
p. Indemnification	13.2	9	6
q. Owner's participation / management / staffing	9.2 and 9.8	Not Applicable	15
r. Records / reports	6.11 and 7	Not Applicable	6
s. Inspections / audits	7.4 & 9.6	Not Applicable	6
t. Transfer	16	7	6 and 17
u. Renewal	4	Not Applicable	17
v. Post-termination obligations	18.7	Not Applicable	17
w. Noncompetition covenants	15	8	17
x. Dispute resolution	21	10	17

ITEM 10
FINANCING

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

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

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

Pre-Opening Obligations

Before the opening of your SafeSplash Business, we (or our designee) are required by the Franchise Agreement to provide the following assistance and services to you:

1. We designate your Authorized Territory. (See Sections 3.1(a) and 5.1 of the Franchise Agreement).

2. We provide you with access to our confidential and proprietary Operations Manual, which we may modify from time to time. (See Section 8.3 of the Franchise Agreement).

3. We furnish you with specifications for all Goods and Services required for the operation of the SafeSplash Business, which will be specified in the Operations Manual. You will be required to

use our designated suppliers, as specified in the Operations Manual, some of which are our affiliates. (See Section 10.1 of the Franchise Agreement).

4. We furnish you with site selection assistance when you are searching for a location for the facility. (See Section 8.4 of the Franchise Agreement). You are solely responsible for locating a site from which to operate the facility and advice in negotiating a lease for the property. We do not generally own the premises of any facility and lease it to franchisees. We will provide you with assistance in analyzing a location and in negotiating the business terms of a lease. However, you are responsible for retaining your own legal counsel to negotiate the legal terms of the lease. We will analyze a location by examining population density, census data, demographic and income characteristics, proximity of the proposed location to other SafeSplash Businesses, or any other criteria we establish. The facility site is subject to our written authorization, which may be granted or denied in our sole discretion. Our authorization of the facility site indicates only that we believe the site falls within acceptable criteria established by us as of the approval date. You are solely responsible for conforming the premises of the facility to local ordinances and building codes and obtaining any required permits, and/or constructing, remodeling, or decorating the premises of the facility.

5. We provide an initial training program for you or, if you are not an individual, your Designated Business Manager and members of your management team, typically at our facilities in the Denver, Colorado metropolitan area. (See Section 8.2(a) of the Franchise Agreement). You are responsible for hiring and training all of your employees, subject to the initial training program and period meetings described below.

6. We may provide up to three days of on-site support services to you in connection with the opening of your initial location(s). If we do so, these services will include assistance and training involving marketing and operations. (See Section 8.2(b) of the Franchise Agreement).

Continuing Obligations

During the term of the Franchise Agreement we (or our designee) are required to provide the following assistance and services to you:

1. We will grant you access to the School Operating and Management Software, a third-party, cloud-based software that will assist your SafeSplash Business in registration, customer service, payment processing, and other related services. We, or a designee of ours, will provide technical and administrative support to you in connection with such School Operating and Management Software. (See Section 8.5(b) and 9.10(b) of the Franchise Agreement).

2. If you select the Enhanced Services Model and sign the Enhanced Services Addendum to the Franchise Agreement (which is attached as **Attachment I** to such agreement), in consideration for your payment of the Enhanced Services Fee, we will provide the Enhanced Services, which includes billing services, registration services, and scheduling services. (See Section 8.6 and **Attachment I** of the Franchise Agreement).

3. If you operate in a Hosted Location we contract for directly, we will collect, through a disbursement by the merchant services processor used by your SafeSplash Business, the Hosted Location Fee that is equal to the remuneration due and owing to the Hosted Location's owner under our agreement with the Hosted Location's owner relating to your use of the Hosted Location, and we will then disburse such amount to the Hosted Location's owner. (See Sections 6.5, 8.7, and **Attachment G** to Franchise Agreement).

4. We make a representative reasonably available to speak with you on the telephone during normal business hours to discuss your operational issues and support needs. (See Section 8.5(c) of the Franchise Agreement).

5. We may hold periodic meetings and/or an annual conference to discuss sales techniques, new product and service developments, bookkeeping, training, accounting, inventory control, safety and maintenance issues, performance standards, advertising programs, merchandising procedures and other topics. Your attendance at most of these meetings is voluntary. However, you, or if you are an entity, your Designated Business Manager, must attend any meeting, seminar, convention, or program that we designate as mandatory. These meetings will be held, in our sole discretion, virtually or in person at locations that we choose. We may require you to pay a registration fee for such events, and you will be responsible for you and your representatives' travel and living expenses related to such events. (See Section 8.5(d) of the Franchise Agreement).

6. We will provide you with access to online training. (See Section 8.5(f) of the Franchise Agreement).

7. We will inform you of mandatory and recommended specifications, standards and procedures for the operations of the SafeSplash Business and of any changes, including updates or revisions to Franchisor's instructional curriculum. (See Sections 8.3 and 8.5(a) of the Franchise Agreement).

8. We will provide guidance to you, as required in our sole discretion, in determining the prices to be charged by you for Services or Products. We will not have control over the day-to-day managerial operations of the Franchised Business, and you will be free to establish your own prices; provided, however, we will have the right, to the extent permitted by applicable laws, to set minimum and/or maximum resale prices as part of any national or regional promotion or multi-area marketing plan. (See Section 9.5 of the Franchise Agreement).

9. We will maintain the Strategic Marketing and Promotions Fund and use the funds to develop promotional and advertising programs and public relations coverage for SafeSplash Businesses. (See Section 12.4 of the Franchise Agreement).

10. We will make available to you all advertising and promotion materials for SafeSplash Businesses that are used by us and other franchisees and will review your proposed marketing materials. (See Section 12.3 of the Franchise Agreement).

11. A representative of ours may provide additional assistance to you and there may be charges for this assistance. If we provide additional assistance, you and we must agree in advance on the charges for the visit and the length of the visit. (See Section 12.6 of the Franchise Agreement).

12. We may establish and manage one or more Cooperatives. If we do, we will resolve any policy disagreements within the Cooperative and review the contribution rate. (See Section 12.6 of the Franchise Agreement).

13. We will provide you with email accounts, as specified in the Operations Manual. Currently, we will provide you with two email accounts under the SafeSplash domain and one additional account for each additional SafeSplash Business that you operate. (See Section 9.10(d) of the Franchise Agreement).

14. If you purchase the right to utilize the SwimLabs Technology Package with your Dedicated Location, we may help facilitate the purchase and installation of your Electronic Equipment system (as described below), which may be provided through our affiliates, a designated supplier, or an approved supplier. (See Section 8.9 of the Franchise Agreement).

Advertising Programs

Start-Up Advertising. Within the time frame from 90 days before you open and 30 days after you open you must spend a total of Five Thousand Dollars ($5,000) for each of your Hosted Locations and Twenty-Five Thousand Dollars ($25,000) for each of your Dedicated Locations on promotional advertising, marketing and public relations efforts as specified in the Operations Manual within your Authorized Territory. Such expenditures are not required of Conversion Locations. However, Conversion Locations must prepare and submit to us for our approval a marketing plan, which will describe your proposed promotional advertising, marketing and public relations efforts within your Territory during your first three months of operation. You must implement the marketing plan that we approve.

Ongoing Local Advertising. For the remaining term of your Franchise Agreement (if you operate a Hosted Location or Dedicated Location), or the entire term of your Franchise Agreement (if you operate a Conversion Location), you must spend a minimum of 2% of the annual Gross Revenues ("**Local Advertising Expense**") for advertising and promotion within your Authorized Territory. You may not credit employee expenses, in-store furniture or equipment, or educational costs towards your required expenditure. However, we will count all monies that you pay to a Cooperative towards your required expenditure.

In certain circumstances, you may create your own advertising and promotional materials; however, all advertising and promotions created by you must be approved by us in advance before you use them and must comply with our graphic standards. Your request will be reviewed by us and we will respond in writing within 60 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Marks and other name identification materials must be consistent with our approved standards. You may not use our logos, Marks and other name identification materials on items to be sold without our prior written approval. You must not use the SafeSplash name, logos or other Marks to promote or identify collateral services offered by you in your SafeSplash Business.

You must fully participate in all such promotional campaigns, prize contests, special offers and other programs, national, regional or local in nature (including the introduction of new products or services or marketing campaigns), which are prescribed from time to time by us, including, but not limited to, the S.A.F.E.R. Swimmer Promise. You will be responsible for the costs of such participation. In addition, you must honor any coupons, gift certificates or other authorized promotional offers that we designate at your sole cost unless we specify otherwise in writing. You must maintain an adequate supply of marketing brochures, pamphlets and promotional materials as we may require from time to time. The cost for such participation in such campaigns will be credited towards your Local Advertising Expense.

If you are operating a Conversion Location, we will reimburse you up to $20,000 for the out-of-pocket expenses you incur in connection with re-branding your business to a SafeSplash Business after you provide us with the receipts for those expenses. Such reimbursement only applies to the out-of-pocket expenses you incur during the first two months after the effective date of your Franchise Agreement.

Strategic Marketing and Promotions Fund. Under the Franchise Agreement, you are required to contribute to the Strategic Marketing and Promotions Fee to the Strategic Marketing and Promotions Fund. The Strategic Marketing and Promotions Fee is currently 2% of Gross Revenues of your SafeSplash Business, but we may increase it, in our sole discretion, to up to 3% of the Gross Revenues of your SafeSplash

Business. We require SafeSplash Businesses operated by Parker to contribute to the Strategic Marketing and Promotions Fund as well. Although it is not maintained in a separate bank account, we track and account for the Strategic Marketing and Promotions Fund separately from our general funds. The Strategic Marketing and Promotions Fund is administered by us, in our discretion, and we may use a professional advertising agency (national or regional), media buyer, or any other third party to assist us. We reserve the right to establish incentive programs for franchised, company-owned, and affiliate-owned SafeSplash Businesses relating to their contributions to the Strategic Marketing and Promotions Fund.

We may use monies in the Strategic Marketing and Promotions Fund for any costs associated with administering, preparing, and conducting national, local, or regional advertising (media and production), branding, marketing, public relations and/or promotional programs and materials, and any other activities we believe would benefit the SafeSplash® brand or SafeSplash Businesses generally, including, among others, (i) developing and conducting advertising campaigns in various media; (ii) creating, maintaining, and optimizing websites, apps, and other digital commerce channels or devices designed to attract, retain, serve, and/or otherwise engage customers; (iii) developing and implementing keyword or adword purchasing programs; (iv) conducting and managing social media activities; (v) conducting direct mail advertising; (vi) developing and implementing market research and quality assurance programs, including secret shoppers programs, customer satisfaction surveys, and branding studies; (vii) employing advertising, social media marketing, and/or public relations agencies; (viii) developing or purchasing promotional items; (ix) conducting and administering promotions, contests, giveaways, public relations events, and community involvement activities; (x) organizing, funding, or operating a charitable foundation or other charitable entities or activities; (xi) attending trade shows; (xii) conducting franchisee incentive programs; (xiii) producing point-of-sale materials and programs; (xiv) developing and implementing in-facility equipment and technologies related to such marketing programs; and (xv) providing promotional and other marketing materials and services to franchisees.

We may also use any monies in the Strategic Marketing and Promotions Fund to defray the reasonable administrative costs and overhead we incur in activities reasonably related to the administration of the Strategic Marketing and Promotions Fund or the management of programs supported by the Strategic Marketing and Promotions Fund (including (i) the pro-rata amount of salaries of our personnel who devote time to the Strategic Marketing and Promotions Fund activities, (ii) retainers and fees for outside agencies, (iii) costs associated with conducting meetings with franchisee advisory councils, (iv) costs related to conducting an independent audit of the fund, (v) reasonable accounting, bookkeeping, reporting and legal expenses, and (vi) any related taxes).

We will have sole authority to direct all advertising programs and promotions and uses of the Strategic Marketing and Promotions Fund, with sole control over the creative concepts, materials, and media used in the programs, and the placement and allocation of advertising. We may use any media, create any programs, and allocate advertising and promotional expenditures to any regions or locales that we deem appropriate. We do not guarantee that advertising expenditures from the Strategic Marketing and Promotions Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all.

During the last fiscal year which ended on December 31, 2024, we collected $1,986,770 in Strategic Marketing and Promotions Fees for the SafeSplash brand. We spent that amount, plus an additional $396,741 contributed by us, as follows: 49.3% on media placement, 8.0% on production, 29.0% on administrative expenses, 8% on support tools, and 5.6% on other expenses which include conference-related expenditures.

We have not, and will not, use the Strategic Marketing and Promotions Fund for anything whose sole purpose is the marketing of franchises. However, our website, public relations activities, community involvement activities, and other activities supported by the Strategic Marketing and Promotions Fund may contain information about franchising opportunities. Neither we nor our affiliates receive payments for providing goods or services to the Strategic Marketing and Promotions Fund.

We assume no direct or indirect liability or obligation to collect amounts due to the Strategic Marketing and Promotions Fund or to maintain, direct or administer the Strategic Marketing and Promotions Fund. Any unused funds in any calendar year will be applied to the following year's funds and we reserve the right to contribute or loan additional funds to the Strategic Marketing and Promotions Fund on any terms we deem reasonable. Since we do not have this fund audited, audited financial statements are not available to franchisees. We will make available to you an annual accounting for the Strategic Marketing and Promotions Fund that shows how the Strategic Marketing and Promotions Fund proceeds have been spent for the previous year upon your written request for such information.

Although we currently do not do so, we reserve the right to form an advertising council, which shall not have decision-making authority.

Except as described above, we are not obligated to spend any amount on advertising in the geographical area where you are or will be located.

Cooperatives. We may designate any geographic area in which two or more SafeSplash Businesses are located as a region for establishing a Cooperative. The members of the Cooperative for any area will consist of all SafeSplash Businesses, whether franchised or operated by us or our affiliates. We will determine in advance how each Cooperative will be organized and governed and when it must start operation. Accordingly, we do not currently have any governing documents available for review. Each Cooperative will be organized for the sole purposes of administering advertising programs and developing, subject to our approval, promotional materials for use by the members in local advertising. If a Cooperative has been established for a geographic area where your SafeSplash Business is located when the Franchise Agreement is signed, or if any Cooperative is established during the term of the Franchise Agreement, you must become a member of the Cooperative and abide by the rules of the Cooperative. Cooperatives will set their own fees, which cannot exceed two percent (2%) of Gross Revenues. Franchisor-owned outlets must contribute to the fund on the same basis as franchisees. Each Cooperative established must prepare annual statements which will be available for review by constituent franchisees. We reserve the right to form, change, dissolve or merge any Cooperative.

Digital Marketing. We or our affiliates may, in our sole discretion, establish and operate websites, social media accounts (such as Facebook, X, Instagram, YouTube, TikTok, etc.), applications, keyword or adword purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc.), mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, **"Digital Marketing"**) that are intended to promote the Marks and SafeSplash Businesses. We will have the sole right to control all aspects of any Digital Marketing, including those related to your SafeSplash Business. Unless we consent otherwise in writing, you and your employees may not, directly or indirectly, conduct or be involved in any Digital Marketing that use the Marks or that relate to SafeSplash Businesses. If we permit you or your employees to conduct any Digital Marketing, you and your employees must comply with any policies, standards, guidelines, or content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such policies, standards, guidelines, or requirements. If we permit you or your employees to conduct any Digital Marketing, we will have the right to retain full control over all websites, social media accounts, mobile applications or other means of digital advertising that we have permitted you to use. We may withdraw our approval for any Digital Marketing or suspend or terminate your use of any Digital Marketing platforms at any time.

We retain the sole right to use the Marks and market on the Internet, including all use of websites, domain names, URL's, linking, advertising and co-branding arrangements. You may not establish a presence on the Internet except as we may specify and only with our prior written consent. We retain the right to approve any linking to or other use of our websites.

We will establish and maintain an Internet website that provides information about the System and the SafeSplash Businesses. We will have sole discretion and control over the website's design and contents and any linking to or use of our website. The website will include a section that provides the address, telephone number and e-mail address of all SafeSplash Businesses. Franchisor intends that any Franchisee website be accessed only through Franchisor's home page.

Hardware and Software

You must purchase Microsoft windows-based laptops or desktop computer systems with Intel i5 core (or above) processors configured with the then-current version of Microsoft's windows operating system, Microsoft Office Productivity software and an anti-virus software package. In addition, you must purchase a color printer. We estimate that the cost for the computer systems will range from $2,000 to $6,000. We do not specify or require you to purchase any maintenance or support contracts for your computer hardware systems. We will have independent access to information and data that is electronically collected. There are no contractual limitations on this right. The data to be generated or stored in the computer systems will include standard customer contact information (e.g., name, address, email address, and phone number) and specific information about swim school participants (e.g., level of proficiency, lesson history, and transaction history). The data will not include credit card information.

You will be required to license the third-party School Operating and Management Software selected by us. The School Operating and Management Software is deployed through the World Wide Web and will facilitate your day-to-day operations, including scheduling, billing and other tasks.

Currently, if you are using the Enhanced Services Model, the cost to license the School Operating and Management Software is included in the Enhanced Services Fee you are required to pay to us. If you are not using the Enhanced Services Model, the cost to license the School Operating and Management Software is included in the amount of the Technology Fee that you will pay on a monthly basis (which is currently $400 per month or 1% of Gross Revenues per month, whichever is greater, but may be changed by us upon 30 days' notice to the greater of (a) our and our affiliates' aggregate costs, plus a markup of 20% above such aggregate costs, (b) $1,000 per month, or (c) 2.5% of Gross Revenues per month). In the future, we may require you to pay separate license or subscription fees for this software.

You will be required to enter into a Payment Processing Agreement with a third party we designate. The annual cost of this service will depend on your sales volumes.

We may require you to purchase a license for new, different or upgraded software at any time. You must pay the license fee set by us for the new, different or upgraded software.

SwimLabs Technology Package

If you purchase the right to utilize a SwimLabs Technology Package in connection with the operation of a Dedicated Location, you must purchase from a designated or approved supplier which contains the SwimLabs Technology Package, which includes video-related electronic equipment and the computer system and the software you need to record and analyze a swimmer's strokes. The software products include licenses from our approved vendors or us for the "Swim Software," the "Client Cloud Portal Access" software and the software we use to remotely access your computer system. "**Swim Software**" is proprietary software that analyzes the stroke and other physiological aspects of a client's swimming. The

“**Client Cloud Portal Access**” program is a remote access portal that allows your clients to remotely access his or her swim lesson videos and stroke analysis done by the Swim Software. We require you to use our designated third-party provider for various services including, but not limited to, the installation of the SwimLabs Technology Package (such as the installation of the infrastructure lines and components to run the stoke analysis software), and to provide ongoing support. We require software on your video computer system that allows us to remotely and independently access your computers to view the results of your Swim Software. We estimate that the cost to purchase and install the electronic and technology equipment for the SwimLabs Technology Package will be approximately $7,700 to $13,200 in additional expenses, including the cost to (a) purchase and install the electronic and technology equipment to operate the video analysis product (as described above), including additional wiring, computers, components, and underwater cameras, and (b) install the equipment in the tank. These amounts do not include the fee due to us for the right to offer the platform in your SafeSplash Business, leasehold improvements, tanks, and other infrastructure that will need to be installed to use the system in your SafeSplash Business (as detailed in Item 7).

Currently, the annual license fee for the Swim Software is $720 per year payable to our third-party provider, and the annual license fee for the Client Cloud Portal Access is $125 per year payable to us. We are not obligated to provide you with support services, maintenance, repairs, upgrades or updates to the items included in the SwimLabs Technology Package, however we may help facilitate the purchase and installation of your system, which is provided through our affiliates or a designated or approved supplier. We estimate that the annual cost for maintenance, repairs, upgrades or updates for each computer workstation used in the SwimLabs Technology Package, which must be provided through a designated or approved supplier, will range from $1,000 to $2,500, depending on the number of systems and other equipment at your location.

Site Selection

You must select the site for the SafeSplash Business subject to our approval. You must use our designated tenant representative company to assist with site selection, unless you receive our written consent to use a different vendor. Unless you are operating a Hosted Location that we have contracted for with the facility owner, your proposed site must be submitted to us for approval within 90 days of signing the Franchise Agreement. Before leasing or purchasing the site for the SafeSplash Business, you must submit to us, in the form we specify, a description of the site, together with other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site. We will have 30 days after we receive this information and materials to accept or reject the proposed site. If we do not accept or reject the proposed site within 30 days, the site will be deemed rejected. If we accept the proposed site, our acceptance will be good for a maximum of 60 days. Factors that we may consider when reviewing your site include the size and dimensions of the site, visibility factors, traffic flow and patterns, access and exits to and from the site, area population and market conditions.

You must purchase or lease, at your expense, the site for the SafeSplash Business within 60 days after we accept it. If we do not accept your site, you will need to locate another site for your SafeSplash Business and receive our acceptance of the alternate site. In the event that we do not accept your alternate site, we may, at our sole discretion, extend your opening deadline. We may also extend the construction period of your SafeSplash Business to accommodate delays in selecting and obtaining our approval of an alternate site. If a site cannot be agreed upon, the Franchise Agreement could be terminated.

You must use, at your expense, our designated architect to design your SafeSplash Business, unless you receive our written consent to use a different architect. You must submit to us architectural drawings and specifications for the construction of your SafeSplash Business showing all leasehold improvements, interior designs, and elevations developed by the architect (collectively **“Plans”**). You must obtain our written acceptance of all Plans prior to submitting such plans for permitting and prior to commencing construction. You must complete the build-out of your SafeSplash Businesses in accordance with the Plans and install all equipment, furniture, fixtures, and security cameras that we require.

You must open your SafeSplash Business by the date specified in your Franchise Agreement, which shall be no later than 18 months after you sign the Franchise Agreement for a Dedicated Location, six months after you sign the Franchise Agreement for a Hosted Location, and two months after you sign the Franchise Agreement for a Conversion Location. If you do not open your SafeSplash Business within the applicable time period after you sign the Franchise Agreement, we may terminate your Franchise Agreement unless we grant you an extension of time in writing. You must obtain our approval of any sale or lease contract before you sign it.

This process also applies to site selection by an area developer who enters into a Development Agreement with us. After an area developer locates a site within the Development Area that it believes is suitable for a SafeSplash Business in accordance with our then current site selection criteria, the area developer will provide us with information about the proposed location. Should we provide the area developer with final site authorization based on such criteria, the area developer will promptly enter into an individual Franchise Agreement for the corresponding SafeSplash Business.

Although your site is subject to our approval, you have the ultimate responsibility in choosing and obtaining the site for your SafeSplash Business. You will also be responsible for the oversight of all equipment, signage, fixtures, opening inventory and supplies deliveries and applicable installation, unless otherwise specified in the Operations Manual.

Once your SafeSplash Business has opened for business, you may only relocate the SafeSplash Business by complying with our relocation policy and procedures specified in the Operations Manual, which will include paying to us a Relocation Fee, as referenced in Item 6 of this Franchise Disclosure Document.

Schedule for Opening

If you are purchasing a new SafeSplash Business, we estimate that the typical length of time between the signing of the Franchise Agreement and the opening of your Hosted Location will be approximately three to six months while the opening of your Dedicated Location will be approximately 12 to 24 months. However, if you are opening a Conversion Location, you typically will open your Conversion Location within two months of signing the Franchise Agreement. Unless we grant you an extension of time in writing, which may be granted or denied in our sole discretion, you must have your SafeSplash Business open and in operation no later than six months after you sign the Franchise Agreement if you are opening a Hosted Location, no later than one month after you sign the Franchise Agreement if you are opening a Conversion Location, and no later than 18 months after you sign the Franchise Agreement if you are opening a Dedicated Location. Some factors that may affect this timing are your ability to locate an acceptable site, the time to acquire the site through lease negotiations, your ability to secure any necessary financing, your ability to comply with local zoning and other ordinances, the timing of the delivery and installation of equipment and signs and the time to renovate or build the premises.

Operations Manual

The Operations Manual contains approximately 644 pages. The current table of contents to the Operations Manual is attached as **Exhibit D** to this Disclosure Document.

Initial Training: Launch Process and The Academy

Before the opening of your SafeSplash Business in any of the four Formats offered by us, we will provide an initial training program throughout the launch process ("**Launch Process**") which we have developed based on the collective knowledge, insights and expertise we have gained through our experiences in operating company-owned and affiliate-owned SafeSplash and overseeing the SafeSplash franchise system. In addition to the training that we provide during the Launch Process, you or your Designated Business Manager must complete our on-site training program ("**The Academy**") to our satisfaction prior to opening your SafeSplash Business, and we encourage you to have your management team attend and complete The Academy program as well. The Academy was designed to help you drive value into your management team and SafeSplash Business by providing you with the capabilities to train your staff to deliver to the marketplace a product that is best in the industry.

A focus of The Academy training is to ensure what is learned during training transfers to on-the-job behaviors. Training alone is not enough to ensure what is taught is actually used on-the-job. You will also need to guide your staff to uphold these trainings and endeavor to incorporate them into the day-to-day operations of your SafeSplash Business. Based on these goals, The Academy utilizes the foremost training methodologies of tell, show and teach.

The Academy program is conducted at times and locations designated by us but will usually take place at our headquarters in Parker, Colorado and at nearby SafeSplash and/or SwimLabs facilities. We reserve the right to conduct the on-site portion of The Academy program at a different location in the future or to modify the delivery of the training in the event pandemic-related government restrictions are in place.

For a Dedicated Location, The Academy will take place in two installments one of which occurs approximately six months prior to location opening, and the other occurs approximately two months prior to location opening. For a Hosted Location, The Academy will take place approximately two months prior to the opening of the SafeSplash Business. For a Conversion Location, The Academy will take place, and must be completed, within two months of you signing the Franchise Agreement.

The in-person training program lasts five to ten days per training trip and consists of classroom instruction, on-site training and off-site training. Prior to the training trips, we will conduct online trainings during the Launch Process to prepare for the trainings that typically occur in Colorado. We use the Operations Manual as the primary instructional material as well as other instruction materials focusing on franchise ownership, operations and includes relevant examples and templates relating to SafeSplash Businesses.

There is no tuition or fee for The Academy for your initial trainees. You must pay for airfare, ground transportation, lodging, most meals, salaries and benefits and any other personal expenses incurred during this time by you and everyone else from your SafeSplash Business who attends the on-site portion of The Academy program.

If a Designated Business Manager's employment with you is terminated at any time during the term of your Franchise Agreement, you must designate a new Designated Business Manager who must successfully complete The Academy certifications within 90 days after the termination of the initial Designated Business Manager, unless we do not conduct such an initial training program during that 90-day period in which case the replacement Designated Business Manager must attend and successfully complete the first available initial training program held by us. We do not currently charge a training fee for a replacement Designated Business Manager or other approved trainees, but we reserve the right to do so in the future. The costs for airfare, ground transportation, lodging, meals, the Designated Business Manager's salary and benefits and any other personal expenses incurred during this time by the Designated Business Manager must be paid by you.

The subjects covered during the Launch Process and The Academy initial training program are described below:

DEDICATED LOCATION TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Curriculum Training	20	20	Remote and / or at a facility near Parker, Colorado.
Culture Training - The Way	1	0	
Customer Service Training	3	2	
Finance	4	0	
Key Management Metrics	8	2	
Marketing	15	5	
Operating and Management Software	10	6	
Operations	17	15	
Wholesale and Retail	2	0	
Total	**80**	**50**	

HOSTED LOCATION TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Curriculum Training	20	20	Remote and / or at a facility near Parker, Colorado.
Culture Training - The Way	1	0	
Customer Service Training	3	2	
Finance	4	0	
Key Management Metrics	8	2	
Marketing	15	5	
Operating and Management Software	10	6	
Operations	13	14	
Wholesale and Retail	2	0	
Total	**76**	**49**	

If you purchase the optional SwimLabs Technology Package in connection with a Dedication Location, you also must complete the following training:

SWIMLABS TECHNOLOGY TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Curriculum - SwimLabs Technology Training	6	10	Remote and / or at a facility near Parker, Colorado.
Total	**6**	**10**	

If you do not participate in the Enhanced Services Model, you also must complete the following training:

ADDITIONAL TRAINING IF
NOT PARTICIPATING IN THE ENHANCED SERVICES MODEL

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Operating and Management Software	7	0	Remote and / or at a facility near Parker, Colorado.
Operations - local contact center training	3	0	
Customer Service Training	2	0	
Total	**12**	**0**	

If you participate in the Enhanced Services Model, you also must complete the following training:

ADDITIONAL TRAINING IF
PARTICIPATING IN THE ENHANCED SERVICES MODEL

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
ESC Operations	2	0	Remote and / or at a facility near Parker, Colorado.
Total	**2**	**0**	

Ongoing Training: The Academy Recertification

During the term of your Franchise Agreement, we will require you to complete an annual recertification training program ("**The Academy Recertification Training Program**"). The Academy Recertification Training Program lasts seven hours and consists of online training. The Academy Recertification Training Program provides updates to the topics and content relevant to the operations of your SafeSplash Business. You or your Designated Business Manager must attend and successfully complete The Academy Recertification Training Program to our satisfaction. There is no tuition or fee charged by us for The Academy Recertification Training Program.

The subjects covered in The Academy Recertification Training Program are described below:

ANNUAL RECERTIFICATION TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
School Operating and Management Software Annual Update Training	1	0	Online Training
SafeSplash Marketing Recertification	2	0	
Designated Business Manager Duties / Operations Recertification	1	0	

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
SafeSplash Curriculum Annual Update Recertification	3	0	
Total	**7**	**0**	

The Launch Process, The Academy initial training program, The Academy Recertification Training Program and any other ongoing training will be conducted under the direction of Jenn Morris, our Training Manager. Jenn has held this position since August 2022. Overall, she has worked for us or an affiliate of ours for more than 10 years. She has more than 22 years of experience in this industry and more than 25 years in the sport of swimming. We may change or substitute training personnel as necessary and we may delegate our duties and share our responsibilities regarding training. Training personnel will typically have at least one year of experience in this industry.

We may present seminars, conventions or continuing development programs for the benefit of franchisees. Your attendance at most of these seminars is voluntary. However, you or your Designated Business Manager must attend any mandatory online training seminar, convention or program we may offer. We will give you at least 15 days' prior written notice of any online training seminar, convention or program that is considered mandatory. The locations of the mandatory seminars, conventions and programs will vary among the different regions of the country and the duration will typically be between one and two days. You may be required to pay a registration fee for attendance at our seminars, conventions and programs, and you must pay for your travel and living expenses incurred in attending any mandatory or voluntary seminar, convention or training program. Other than the initial training program and the online training seminars, conventions and programs described above, we do not currently offer any additional training programs.

ITEM 12
TERRITORY

Authorized Territory

You will be granted a territory ("**Authorized Territory**") in which to operate your SafeSplash Business. Your Authorized Territory for a Dedicated Location will be approximately a five-mile radius from the site of your SafeSplash Business depending upon the demographics and physical geography of the area. It will be identified with a map by boundaries, zip codes or in miles' radius. Your Authorized Territory for a Hosted Location will be approximately a 2.5-mile radius from the site of your SafeSplash Business depending upon the demographics and the physical geography of the area, as determined using the latest statistics released by our designated third-party mapping service. If you breach your Franchise Agreement and fail to timely cure the default, we may, among other remedies, terminate your Franchise Agreement or reduce the size of your Authorized Territory. There are no other conditions for keeping the rights to your Authorized Territory.

You may market or advertise your SafeSplash Business outside of your Authorized Territory. You do not receive the automatic right to acquire additional franchises.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own or from other channels of distribution or competitive brands that we control.

We will not grant another SafeSplash Business in your Authorized Territory. However, customers from your Authorized Territory may purchase services and products from other SafeSplash Businesses, SwimLabs Businesses or Swimtastic Businesses, or directly from us or our affiliates over the Internet, or in other reserved channels of distribution. As a result, the Authorized Territory will not be exclusive. At the same time, you may solicit or accept orders from customers outside of your Authorized Territory.

Unless we consent otherwise in writing, you and your employees may not, directly or indirectly, establish or operate websites, social media accounts (such as Facebook, X, Instagram, YouTube, TikTok, etc.), applications, keyword or adword purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc.), mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, "**Digital Marketing**") that are intended to promote the Marks and SafeSplash Businesses. We will have the sole right to control all aspects of any Digital Marketing, including those related to the Franchised Business. We will establish and maintain an Internet website that provides information about the System and the Products and Services that you and other franchisees offer. We will have sole discretion and control over the website's design and contents. We retain the right to approve any linking or other use of the website.

Our Reserved Rights

Except as otherwise provided in the previous paragraph, we and our affiliates have the right to conduct any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on your SafeSplash Business. We reserve the right, among others, to:

1. establish or operate, or license to any other person or entity the right to establish or operate, a SafeSplash Business at any location outside the Authorized Territory, regardless of its proximity to such territory;

2. use, license, and franchise the use of trademarks or service marks other than the Marks through any channels of distribution or at any location inside or outside the Authorized Territory, including in association with operations that offer the same or similar products and services as a SafeSplash Business;

3. use the Marks and the System in connection with the provision of services and products other than the Services or Products at any location inside or outside the Authorized Territory;

4. offer or sell the Services or Products, or grant others the right to offer or sell the Services or Products, whether using the Marks or other trademarks or service marks, through alternative channels of distribution, including through wholesalers, retail outlets or other distribution outlets (other than SafeSplash Businesses), e-commerce, or mail order, whether inside or outside the Authorized Territory;

5. use any websites utilizing a domain name incorporating one or more of the words "Safe" and / or "Splash" or similar derivatives thereof;

6. acquire, or be acquired by, businesses that are the same as or similar to the SafeSplash Business and continue to operate such businesses regardless of where such businesses are located, including inside the Authorized Territory; and

7. implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere and issue mandatory policies, including pricing and promotion policies, to coordinate such multi-area marketing programs.

We reserve for ourselves the exclusive right to market any other products or services utilizing the Marks or other marks utilizing alternative distribution channels, including over the Internet, inside and outside of your Authorized Territory. We are not required to compensate you for any solicitation or acceptance of orders inside your Authorized Territory via alternative channels of distribution.

Site and Relocation. You must operate your SafeSplash Business at the specific location designated in the Franchise Agreement. Once we have designated your location you cannot move your SafeSplash Business without our prior written approval. Our approval is based on a variety of factors, including the demographics of the proposed new location, and does not guarantee the success of your SafeSplash Business. If you request to move your SafeSplash Business to a new location, you must submit your request in writing to us, and we will charge you a Relocation Fee to evaluate the new location. You must provide a complete detailed explanation of the reason for relocation, financial information, information regarding the new location site, including lease terms, and other backup information with this request. We will have 30 days to review this request and, if we approve it, we will provide our approval in writing. A lack of a response from us within that 30-day period will be deemed a rejection of your request.

If you request, and we approve your request, you may operate a Satellite Location as an additional permanent location within your Authorized Territory, as long as you enter into an amendment to the Franchise Agreement and pay us the Satellite Location Fee for each Satellite Location. A Satellite Location may be a Dedicated Location or a Hosted Location. We may require you to comply with the site selection provisions of the Franchise Agreement in obtaining such approval. Satellite Locations are coterminous with the Franchise Agreement. There is no separate defined Authorized Territory for a Satellite Location.

If you request, and we approve your request, you may operate a temporary location ("**Auxiliary Location**") from which you may offer Products and Services, typically during the summer months, which can be located either within or outside the Authorized Territory specified in your Franchise Agreement, provided it is not located in the Territory of any other franchisee of Franchisor. If your request to operate an Auxiliary Location is approved by us, you must enter into an amendment to your Franchise Agreement. You must obtain our written consent to renew the right to operate any Auxiliary Location on an annual basis. There is no initial fee assessed for an Auxiliary Location. There is no separate defined Authorized Territory for an Auxiliary Location.

Development Area under Development Agreement

If we grant you area development rights, the Development Agreement you sign with us will grant to you an exclusive Development Area within which you may establish, according to your Development Schedule, two or more SafeSplash Businesses. Your Development Area will be defined by boundaries such as city, county, or state limits or by other reasonable boundaries we may determine in our discretion and will be based on the number of SafeSplash Businesses you commit to opening under the terms of the Development Agreement and the size of the territory created by the collection of their respective Authorized Territories. The number of SafeSplash Businesses to be developed within the Development Area is determined based on demographics and other characteristics of the Development Area, including population density, average income and other characteristics of the surrounding area, natural boundaries, extent of competition and the amount and size of urban, suburban, and rural areas in the Development Area. Based on your proposal and our own research, we will negotiate with you the parameters of the Development Area and how many SafeSplash Businesses must be established within the Development Area. In order to develop each SafeSplash Business, you must sign our then-current Franchise Agreement for such business, which will govern the development and operation of such SafeSplash Business, including the designation of the Authorized Territory for such SafeSplash Business.

Except as stated below, we will not establish or operate, or license others to establish of operate SafeSplash Businesses in your Development Area. However, if you fail to meet the Development Schedule, are in default under the Development Agreement or any Franchise Agreement, or cease to be in good standing, we may terminate the Development Agreement, eliminate your protected rights in the Development Area, reduce the size of the Development Area, or accelerate your Development Schedule. If the Development Agreement is terminated, we may grant franchises to other persons or entities to establish SafeSplash Businesses within the Development Area.

Except as provided in the previous paragraph, we and our affiliates reserve all of the rights inside and outside the Development Area that are described above in "Our Reserved Rights."

<u>Competing Businesses</u>

We are the franchisor for Swimtastic Businesses and SwimLabs Businesses, which offer similar products and services to those offered by SafeSplash Businesses under the Swimtastic® and SwimLabs® trademarks (collectively, the "**Franchised Competing Businesses**"). As of December 31, 2024, the Franchised Competing Businesses included (i) 11 franchised businesses operating under the Swimtastic® trademark in Nebraska, Florida, and Wisconsin, (ii) 11 licensed or franchised businesses operating under the SwimLabs® trademark in California, Colorado, Maryland, New Mexico, New York, and Texas, and (iii) one franchised business operating under both the Swimtastic® and SwimLabs® trademarks in Wisconsin. The Franchised Competing Businesses are all franchised and operated by third-party franchisees. We do not currently operate or offer new franchises for, and have no plans to operate or offer new franchises for, the Franchised Competing Businesses. We currently plan to operate the Franchised Competing Businesses under their existing brands, which may compete with SafeSplash Businesses. We support the Franchised Competing Businesses from our principal place of business, using the same employees, offices, and training facilities that are used to support SafeSplash Businesses.

One of our affiliates, Parker, operates multiple businesses offering similar products and services to those offered by SafeSplash Businesses under different trademarks (the "**Affiliated Competing Businesses**"). As of December 31, 2024, the Affiliated Competing Businesses included (i) four businesses under the Miller Swim School® trademark in Texas and Oklahoma, (ii) five businesses under the AquaKids® trademark in Texas, (iii) one business under the The Swim Revolution trademark in Georgia, (iv) one business under the Fish Tails Swim School trademark in Florida, and (v) one business under the Sharkies Swim Academy trademark in Georgia. The Affiliated Competing Businesses are not franchised, and Parker does not offer any franchises. Parker may convert some of the Affiliated Competing Businesses to SafeSplash Businesses in the future, but it intends to continue to acquire, operate, and expand brands that may compete with SafeSplash Businesses. Parker shares our principal place of business, our employees, and our offices and training facilities.

One of our affiliates, Saf-T-Swim, LLC ("**Saf-T**"), operates multiple businesses offering similar products and services to those offered by SafeSplash Businesses under the Saf-T-Swim trademark (the "**Saf-T Competing Businesses**"). As of December 31, 2024, there were 13 Saf-T Competing Businesses in New York. The Saf-T Competing Businesses are not franchised, and Saf-T does not offer any franchises. Saf-T shares our principal place of business, our employees, and our offices and training facilities.

Our other affiliates, including the Affiliated Programs described in Item 1 and other portfolio companies that currently are or in the future may be owned by private equity funds managed by Roark Capital Management, LLC, may operate and/or franchise businesses that sell similar goods or services to those that our franchisees sell. Item 1 describes our current Affiliated Programs that offer franchises, their principal business addresses, the goods and services they sell, whether their businesses are franchised and/or company-owned, and their trademarks. All of these other brands (except as otherwise noted in Item 12) maintain offices and training facilities that are physically separate from the offices and training facilities of our franchise network. Most of the Affiliated Programs are not direct competitors of our franchise network given the products or services they sell, although some are, as described in Item 1.

All of the businesses that our affiliates and their franchisees operate may solicit and accept orders from customers near your business. Because they are separate companies, we do not expect any conflicts between our franchisees and our affiliates and our affiliates' franchisees regarding territory, customers, and support, and we have no obligation to resolve any perceived conflicts that might arise.

ITEM 13
TRADEMARKS

The Franchise Agreement grants you the nonexclusive right to use our Marks, including the trademarks "SAFESPLASH SWIM SCHOOL" and various designs and logo types associated with our products and services. You may also use our other current or future Marks as we may designate to operate your SafeSplash Business. You must indicate, as required in the Franchise Agreement and specified in the Operations Manual, that you are an independent operator of the SafeSplash Business and you shall use only the appropriate and authorized Marks as indicated by us. We own all of the Marks described below.

SafeSplash Business

If you are granted the right to operate a SafeSplash Business, we will license to you the following Marks which we have registered with the USPTO on the Principal Register and, to the extent necessary, have timely renewed:

Mark	Filing or Registration Date	Serial / Registration Number
SafeSplash Swim School	January 16, 2007	3,198,921
SafeSplash Swim School	January 2, 2007	3,194,154
Swimming…A Life Skill!	December 1, 2015	4,863,229
Ripples to Waves	June 20, 2017	5,227,227
STREAMLINE BRANDS	July 2, 2019	5,791,205
BUBBLES TO BUTTERFLY	November 19, 2019	5,911,989
SafeSplash Certified	August 18, 2020	6,130,519

We will also license to you the following unregistered and common law Mark:

Mark	Filing or Registration Date	Serial / Registration Number
SafeSplash Swim School	Common Law	Common Law

We do not have a federal registration for the trademark listed in the table above. Therefore, this trademark does not have as many legal benefits and rights as a federally registered trademark. If your right to use this trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Optional SwimLabs Technology Package

If you purchase the SwimLabs Technology Package, we will license to you the following Marks, which we have registered with the USPTO on the Principal Register and, to the extent necessary, have timely renewed::

Mark	Registration Date	Registration Number
SwimLabs	December 23, 2014	4,658,736
SwimLabs Swim School KIDS | COMPETITIVE | TRIATHLETE	July 14, 2020	6,102,568
Swim Faster … Faster	March 2, 2021	6,283,521

In connection with the optional SwimLabs Technology Package, we will also license to you the following unregistered and common law Marks:

Mark	Filing or Registration Date	Serial / Registration Number
SwimLabs Swim School KIDS | COMPETITIVE | TRIATHLETE	Not filed	N/A
SwimLabs Certified	Not filed	N/A
SwimLabs Match	Not filed	N/A

We do not have a federal registration for the trademarks listed in the table above. Therefore, these trademarks do not have as many legal benefits and rights as registered trademarks. If your right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

All required affidavits have been filed and accepted by the USPTO.

You must follow our rules when you use our Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate or business name or in any form on the Internet, including but not limited to URLS, domain names, e-mail addresses, locators, links, metatags or search techniques, except as we license to you. You must get our prior written approval of your company name before you file any registration documents. Guidelines regarding proper trademark use and notices are in the Operations Manual and will be updated periodically in our discretion. You may not use our Marks with an unauthorized product or service or in a manner not authorized in writing by us.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceedings or any pending material litigation involving any of our Marks which are relevant to the use of, or ownership rights in, these Marks. We reserve the right to control any litigation related to the Marks and we have the sole right to decide to pursue or settle any infringement actions related to the Marks. No currently effective litigation affects our use or ownership rights in any Mark. Except as described above, no currently effective agreement limits our right to use or license the use of our Marks.

You must notify us within three days of when you learn about an infringement of or challenge to your use of our Marks. We will take the action necessary, in our sole discretion, to protect the unauthorized use of our Marks, which may include our payment of reasonable costs associated with the action. We are not obligated to protect your rights to use the Marks or protect you against any claims of infringement or unfair competition arising out of your use of Marks. We will have no obligation to defend or indemnify you if a claim against you relates to your use of the Marks in violation of the Franchise Agreement.

You must modify or discontinue the use of a Mark if we modify or discontinue its use. If this happens, we will reimburse you for your tangible cost of compliance (for example, changing signs) if you are required to modify or discontinue use due to an infringement claim, court order or settlement with a third party. You must not directly or indirectly contest our right to our Marks, trade secrets or business techniques that are part of our business or the System.

We do not know of any infringing uses that could materially affect your use of our Marks. You should understand that there could be other businesses using trademarks, trade names or other commercial symbols similar to our Marks with superior rights to our rights. Before opening your SafeSplash Business, you should research this possibility, using telephone directories, trade directories, Internet directories or otherwise in order to avoid the possibility of having to change the name of your SafeSplash Business.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

The information contained in the Operations Manual is proprietary and is protected by copyright and other laws. The Operations Manual and the limitations of the use of it by you and your employees are described in this Franchise Disclosure Document. The designs contained in the Marks, the layout of our advertising materials, as well as any other writings or recordings in print or electronic form are also protected by copyright and other laws. Although we have not filed an application for copyright registration for the Operations Manual, the Marks, the advertising materials or other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information ("**Copyrighted Works**") in connection with the operation of your SafeSplash Business, but such copyrights remain our sole property.

You must notify us within three days after you learn about another's use of language, a visual image or a recording of any kind, that you perceive to be identical or substantially similar to one of our Copyrighted Works or if someone challenges your use of our Copyrighted Works. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, which may include payment of reasonable costs associated with the action.

We will indemnify, hold harmless and reimburse you for your liability and reasonable costs in connection with defending your use of our Copyrighted Works. To receive reimbursement, you must have notified us within the required timeframe upon your learning of the use of identical or substantially similar language or visual image and you must have used the Copyrighted Works only per the terms of the Franchise Agreement.

You must add, modify, or discontinue the use of a Copyrighted Work if we instruct you to do so. You must not directly or indirectly contest our rights to any of our Copyrighted Works that are part of our business or the System.

Our Operations Manual, electronic information and communications, sales and promotional materials and the development and use of other related materials are proprietary and confidential and are considered to be our property to be used by you only as described in the Franchise Agreement or the Operations Manual. Where appropriate, certain information has also been identified as trade secrets ("**Trade Secrets**"). You must maintain the confidentiality of our information and adopt reasonable procedures to prevent any unauthorized disclosure of our Trade Secrets and confidential information.

No patents are material to us at this time.

We own all records with respect to the customers, suppliers, and other service providers of and related in any way to, your SafeSplash Business. This includes, without limitation, all databases (whether in print, electronic or other form), including, among other things, all names, addresses, phone numbers, e-mail addresses and customer purchase records. We may use or transfer the records in any way we wish, both before and after any termination, expiration, repurchase, transfer or otherwise. We may contact any or all customers, suppliers and other service providers for quality control, market research and such other purposes, as we deem appropriate, in our sole discretion.

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

You, or your managing shareholder or partner, are not obligated to participate personally in the direct operation of your SafeSplash Business so long as a designated manager ("**Designated Business Manager**"), who has completed our initial training program and ongoing mandatory trainings, does so. If you are a corporation or other business entity, or if you have, in our sole judgment, insufficient experience in a business similar to the franchise or experience in business management in general, then you must nominate a Designated Business Manager having the required experience who will have direct responsibility for all operations of the SafeSplash Business and who must own not less than 10% of the corporate or business entity. You or your Designated Business Manager must devote full time and best efforts to the management and operation of your SafeSplash Business. You or, if applicable, your Designated Business Manager, must successfully complete our mandatory initial training program by demonstrating to us appropriate levels of competence in the subject matters taught in the training program, in our discretion. If your Designated Business Manager's employment with you is terminated, you must designate a new Designated Business Manager who must successfully complete our initial training program within 90 days after the termination of the initial Designated Business Manager, unless we do not hold an initial training program during that 90-day period, in which case the replacement Designated Business Manager must attend and successfully complete the first available initial training program held by us. The Designated Business Manager must take all necessary steps to prevent any unauthorized disclosure of our Trade Secrets and confidential information.

Additionally, when you enter into a Franchise Agreement, you and all of the shareholders of the securities of your franchisee entity (if you are a corporation), all of the partners (if you are a partnership), and all of the members of your franchisee entity (if you are a limited liability company) must sign the Guaranty and Assumption of Franchisee's Obligations (**Attachment B** to the Franchise Agreement). Similarly, if you are also entering into a Development Agreement, you and all of the shareholders of the securities of your area developer entity (if you are a corporation), all of the partners (if you are a partnership), and all of the members of your area developer entity (if you are a limited liability company) must sign the Guaranty and Assumption of Area Developer's Obligations (**Attachment C** to the Development Agreement).

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell and offer only those services and products which are authorized by us and which meet our standards and specifications. You must offer all types of services and products specified by us. We may change or add to our required services and products at our discretion with prior notice to you and the Franchise Agreement does not limit our right to make changes to the types of approved products and services. You must discontinue offering any services or products which we may, in our discretion, disapprove in writing at any time. No service or product, except approved services and products, may be offered to customers from your SafeSplash Business unless you receive our prior written consent (which may be granted or denied in our sole discretion). There are no limits or restrictions regarding customers to whom you may sell services and products, as long as such services and products are approved by us.

Except as described in this Item 16, there are no restrictions on the prices at which you may sell the approved services or products, except that we may recommend prices, set maximum prices and determine pricing strategy of multi-area marketing programs, as permitted by law.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Franchise Disclosure Document.

FRANCHISE AGREEMENT

Provision		Section in Franchise Agreement	Summary
a.	Length of the franchise term	4.1	10 years.
b.	Renewal or extension of the term	4.2	Your renewal right permits you to continue to operate your SafeSplash Business after the initial term of your Franchise Agreement expires. If you wish to do so and you satisfy the required pre-conditions to renewal, we will offer you the right to obtain an additional 10-year term. You must sign our then-current Franchise Agreement (“**Successor Franchise Agreement**”) for the renewal term and this Successor Franchise Agreement may have materially different terms and conditions (including fees and contributions) from the Franchise Agreement than covered your original term.
c.	Requirements for franchisee to renew or extend	4.2	Notice; substantial compliance during term and no material default or money owed; sign successor Franchise Agreement which may have materially different terms and conditions (including fees and contributions) from the Franchise Agreement that covered your original term; pay renewal fee; sign general release; refurbish or renovate facility and replace equipment.
d.	Termination by you	18.4	You have no right to terminate, subject to state law.
e.	Termination by us without cause†	18	Not Applicable.
f.	Termination by us with cause†	18.1 and 18.2	We can terminate upon the occurrence of one or more default events.
g.	“Cause” defined - defaults which can be cured	18.2	You have 30 days to cure: failure to comply with Franchise Agreement, System, or Operations Manual; non-payment of fees and other obligations; failure to comply with federal, state and local laws; failure to

Provision		Section in Franchise Agreement	Summary
			timely cure any defaults under any lease or license agreement, franchise agreement with us, or any other agreement material to the business; failure to submit accurate reports; operating the SafeSplash Business in a manner that presents a significant health or safety hazard; and receiving a score below 70% on our annual quality assurance evaluation. 10 days to cure if second or subsequent breach.
h.	"Cause" defined – non-curable defaults	18.1	Non-curable defaults include misrepresentation by you, failure to open on time, unauthorized disclosure of Confidential Information or Trade Secrets, abandonment, bankruptcy††, insolvency or appointment of a receiver, a material judgment is obtained against you, conviction of any type of felony or a felony or misdemeanor against a child, failure to pay amounts due to us, trademark misuse, two defaults within a 12 month period or three total defaults, unauthorized transfer, change in ownership without approval, repeated refusal to submit or false financial report submissions, engaging in authorized business practices, contesting ownership of the Marks, failure to complete Initial Training, any misrepresentations and failure, refusal or neglect to take appropriate and necessary measures at the facility to protect any student of the SafeSplash Business whose health or safety is in imminent and significant danger when you are aware of, or should be aware of, such danger, or termination of any agreement with a facility host for cause**.**
i.	Your obligations on termination / non-renewal	7, 15 & 18.7	Obligations include complete de-identification, noncompetition and payments of amounts due and the removal and return of all Confidential Information and records.
j.	Assignment of contract by us†	16.1	No restriction on our right to assign.
k.	"Transfer" by you – definition†	16.2	Includes transfer of interest in Franchise Agreement, Franchise or all or a substantial portion of assets of your SafeSplash Business.
l.	Our approval of transfer by you	16.2	We have the right to approve all transfers.
m.	Conditions for our approval of transfer	16.5	You are in full compliance with the Franchise Agreement, transferee is purchasing all of your assets used in the SafeSplash Business, new franchisee qualifies, Transfer Fee paid, transferee executes separate Franchise Agreement, execute a general release†† training arranged and transferee personal guarantee.
n.	Our right of first refusal to acquire your business	17	We can match any written offer for your business.
o.	Our option to purchase your business	17	We may purchase your inventory and equipment at fair market value if Franchise Agreement is terminated for any reason.

Provision		Section in Franchise Agreement	Summary
p.	Your death or disability	16.7	Franchise must be assigned by estate to an approved third party within six months.
q.	Noncompetition covenants during the term of the franchise	15.2	Subject to state law, no attempt to divert business or customers, no performing injurious acts, and no involvement with any competitor of SafeSplash Businesses
r.	Noncompetition covenants after the franchise is terminated or expires†	15.2	Subject to state law, no competing business for two years within your Authorized Territory or 10 miles of it, within 10 miles of any other franchisee's or licensee's territory, or within 10 miles of franchisor-owned or affiliated company-owned swim school businesses.
s.	Modification of the agreement†	22.10	No modification except by written document executed by you and us, but Operations Manual subject to change†.
t.	Integration / merger clause	22.4	Only the terms of the Franchise Agreement are binding (subject to state law); any representations or promises outside the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution	21	Except for certain claims all disputes must be arbitrated.
v.	Choice of forum†	21.2	Colorado (subject to applicable state law).
w.	Choice of law†	22.1	Colorado (subject to applicable state law).

DEVELOPMENT AGREEMENT

Provision		Section in Development Agreement	Summary
a.	Length of the franchise term	5	Unless earlier terminated, the term expires at midnight on the earlier of (i) the last Opening Deadline date listed on the Development Schedule, or (ii) the opening of the last SafeSplash Business to be developed pursuant to the Development Schedule.
b.	Renewal or extension of the term	Not applicable	Not applicable.
c.	Requirements for franchisee to renew or extend	Not applicable	Not applicable.
d.	Termination by you	Not applicable	Not applicable.
e.	Termination by us without cause	Not applicable	Not applicable.
f.	Termination by us with cause	6.1	We may, at our discretion, terminate for the reasons outlined in row h. Termination of your Development Agreement will not, on its own, permit us to also terminate any of your Franchise Agreements.
g.	"Cause" defined - defaults which can be cured	Not applicable	Not applicable.

Provision		Section in Development Agreement	Summary
h.	"Cause" defined – non-curable defaults	6.1	Non-curable defaults include you fail to timely execute a Franchise Agreement; you fail to have open and operating the required number of SafeSplash Business specified in the Development Schedule at any deadline; you, your owners, or your affiliates breach or commit a default under any Related Agreement, and such default is incurable, or you fail to cure such breach or default in the applicable cure period, regardless of whether we terminate the agreement; we, our affiliates, or our approved vendors terminate any related agreement for cause; we determine that you and any affiliated entity, as a result of a material change in your financial condition or operations, do not have the financial and operational capacity necessary to develop and operate SafeSplash Businesses; or you, your owners, or your affiliates breach or otherwise fail to comply with any other provision in the Development Agreement.
i.	Your obligations on termination/non-renewal	6.2	You will lose your right to develop additional SafeSplash Businesses.
j.	Assignment of contract by us	7.2	No restriction on our right to assign.
k.	"Transfer" by you - definition	7.1	Includes transfer of the Development Agreement, any interest in the Development Agreement, or, if you are an entity, any direct or indirect controlling equity interest in the entity.
1.	Our approval of transfer by you	7.1	We have the right to approve or not approve all applicable transfers in our sole discretion.
m.	Conditions for our approval of transfer	7.1	We may require you or the transferee to comply with any conditions that we specify, including payment of a transfer fee and execution of a general release.
n.	Our right of first refusal to acquire your business	7.1	We have a right of first refusal with respect to the transfer of any interest in you or the Development Agreement, exercisable through the same procedure in the Franchise Agreement.
o.	Our option to purchase your business	Not Applicable	Not Applicable.
p.	Your death or disability	Not Applicable	Not Applicable.
q.	Noncompetition covenants during the term of the franchise	8	Subject to state law, no attempt to divert business or customers, no performing injurious acts, and no involvement with any competitor of SafeSplash Businesses.
r.	Noncompetition covenants after the franchise is terminated or expires	8	Subject to state law, no competing for two years within your Development Area or a 10-mile radius of your Development Area, another SafeSplash Business, or another swim school owned by us or our affiliates.
s.	Modification of the agreement	10	No modifications unless agreed to in writing by both parties.

	Provision	Section in Development Agreement	Summary
t.	Integration / merger clause	12	Only the terms of the Franchise Agreement are binding (subject to state law); any representations or promises outside the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	10	Except for certain claims all disputes must be arbitrated.
v.	Choice of forum†	10	Colorado (subject to applicable state law).
w.	Choice of law†	10	Colorado (subject to applicable state law).

† See **Exhibit I**.

†† The Franchise Agreement and Development Agreement may provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC 101 *et seq.*)

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

This Item 19 is a historic representation based on the financial performance in the period from January 1, 2024 to December 31, 2024 ("**Fiscal Year 2024**") of (a) Franchised Businesses that operate as Dedicated Locations (excluding Dedicated Locations with SwimLabs Technology Package, formerly referred to as Dual Brand Locations) ("**Franchised Dedicated Locations**"), (b) Franchised Businesses that operate as Hosted Locations ("**Franchised Hosted Locations**"), and (c) affiliate-owned SafeSplash Businesses that operate as Hosted Locations ("**Affiliated Hosted Locations**"). In this Item 19, we have only included data for SafeSplash Businesses that were open and operating through all 12 months of Fiscal Year 2024.

As of December 31, 2024, there were 90 Franchised Businesses, including 16 Franchised Dedicated Locations, 62 Franchised Hosted Locations, and 12 Franchised Businesses that operated as Dedicated Locations with SwimLabs Technology Package. This Item 19 does not include data for (a) 12 Franchised Businesses that operated as Dedicated Locations with SwimLabs Technology Package, as these units have revenue and expenses that vary materially from a standard Dedication Location, (b) affiliate-owned SafeSplash Businesses that operated as Dedicated Locations, and (c) Conversion Locations that converted to a SafeSplash Business in Fiscal Year 2024 (there were no locations in this category in 2024).

TABLE 1
FRANCHISED DEDICATED LOCATIONS
GROSS REVENUES AND EXPENSES IN FISCAL YEAR 2024

The figures in Table 1 present actual Gross Revenues and expenses experienced by 12 Franchised Dedicated Locations during Fiscal Year 2024.

As of December 31, 2024, there were 16 Franchised Dedicated Locations. In this table, we have included data for 12 of the 16 units. Four of those 16 units opened in 2024 and are not included in Table 1 because they did not operate throughout all of Fiscal Year 2024. No Franchised Dedicated Locations were permanently closed in Fiscal Year 2024. The Franchised Dedicated Locations in this Table had been open an average of 4.1 years as of December 31, 2024.

		Average	**% of Gross Revenues**
(1)	**Gross Revenues**	**$1,108,226**	
(2)	Payroll - Staff	$253,476	22.9%
(3)	Payroll - Management	$75,588	6.8%
(4)	Occupancy	$208,742	18.8%
(5)	Merchant and Credit Card Fees	$19,858	1.8%
(6)	Supplies	$22,246	2.0%
(7)	Repairs and Maintenance	$14,863	1.3%
(8)	Insurance	$17,687	1.6%
(9)	Other	$74,210	6.7%
(10)	Royalties	$66,494	6.0%
(11)	Marketing	$44,329	4.0%
(12)	Enhanced Services	$51,202	4.6%
(13)	**Adjusted 4-WALL EBITDA**	**$259,531**	**23.4%**

Additional Details:

	Average	**#/% Met or Exceeded Average Amount**	**Median**	**Low**	**High**
Gross Revenues	$1,108,226	5 of 12 (42%)	$932,159	$715,331	$1,995,458
Adjusted 4-WALL EBITDA	$259,531	6 of 12 (50%)	$255,387	$109,176	$605,226

Notes to Table 1:

1) "**Gross Revenues**" means all revenue a franchisee receives or otherwise derives from operating the SafeSplash Business and/or using the System or the Marks (including all revenue from swimming-related and aquatics-related services, retail sales, parties, coaches fees, annual service fees, late withdrawal fees, and sales made away from the Swim Facility), whether the receipts are evidenced by cash, credit, checks, gift certificates, services, property, or other means of exchange. Gross Revenues do not include: (1) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers of the SafeSplash Business, provided that the amount of any such tax is shown separately and in fact paid by you to the appropriate governmental authority; and (2) all customer refunds and valid discounts and credits made by the SafeSplash Business

(exclusions will not include any reductions for credit card user fees, returned checks or reserves for bad credit or doubtful accounts).

2) "**Payroll - Staff**" means hourly and salary payroll expenses for staff providing swimming lessons instruction for students in the pool as well as front desk personnel who are not in the pool, including bonuses, plus all other payroll expenses including but not limited to payroll taxes, workers compensation, and benefits (e.g., health insurance, 401k match, disability, life). This amount excludes the payroll for any management costs.

3) "**Payroll - Management**" means hourly and salary payroll expenses for managers responsible for managing the Swim Facility, including bonuses, plus all other payroll expenses including but not limited to payroll taxes, workers compensation, and benefits (e.g., health insurance, 401k match, disability, life). Nine of the 12 Franchised Dedicated Locations included in this table had employees on payroll who performed these management duties. You may not incur any such management expenses, as franchisees will often perform these duties themselves and these management duties may be performed by one person across multiple schools and formats. By way of example, one manager can perform management duties for one Dedicated Location plus one to three Hosted Locations. The nine Franchised Dedicated Locations in this table with managers on staff paid an average of $100,784; each of the other three SafeSplash Businesses in this table did not incur any expenses in this line item.

4) "**Occupancy**" means expenses relating to Swim Facility rent, common area maintenance expenses, property taxes, and utilities such as electricity, gas, water, Internet, and telephone.

5) "**Merchant and Credit Card Fees**" means payment processing fees, credit card transaction fees, bank charges, and other related fees. Because some franchisees reported some of these fees in other categories, we imputed a fee equal to 3% of Gross Sales, which is the fee that we charge several franchisees for payment processing services under a legacy program that we no longer offer to new franchisees. The average imputed fee is higher than the actual average expenses that were reported. The average of the actual reported Merchant and Credit Card Fee expenses was $19,858 (1.8% of Gross Revenues).

6) "**Supplies**" means expenses associated with pool chemicals, janitorial/cleaning (including janitorial services), instructional supplies, uniforms, and office supplies.

7) "**Repairs and Maintenance**" means expenses associated with repairing and maintaining the Swim Facility, including the building, pool, and exterior.

8) "**Insurance**" means expenses relating to liability and other business insurance and excludes business owner-specific insurance such as umbrella liability and key man insurance.

9) "**Other**" means expenses associated with merchandise (including retail/food goods for sale), fees related to professional services (e.g., legal and accounting), business meals and travel, recruiting, training, employee screening, dues and subscriptions, security, shipping and postage, and incidentals.

10) "**Royalties**" include the royalty fees paid by the Franchised Businesses, which were equal to 6% of Gross Revenues.

11) "**Marketing**" is an imputed figure equal to 4% of Gross Revenues, which reflects the required Strategic Marketing and Promotions Fund contribution of 2% of Gross Revenues plus the Local Advertising Expense equal to 2% of Gross Revenues, both of which are required for a new franchisee. We did not present the actual marketing expenditures of these Franchised Businesses, because not all of the Franchised Businesses have been required to spend the amount on marketing that is required of new

franchisees. The actual reported average marketing expenses was lower than the imputed average reported here.

12) "**Enhanced Service Fees**" is the fee paid by franchisees that participated in the optional Enhanced Services Model. 10 of the 12 franchisees captured in this table participate in the Enhanced Services Model, which requires payment of a fee equal to 10% of Gross Revenue. These locations paid between $3,490 and $91,991 for these services.

13) "**Adjusted 4-Wall EBITDA**" means the amounts that remain when all expenses listed in the statement (including imputed figures) are subtracted from Gross Revenues. "**EBITDA**" means earnings before interest, taxes, depreciation, and amortization.

14) The figures in this table do not include:
    (a) depreciation, amortization, and debt service related to the remodel and build-out costs a Franchised Business may incur, including such deductions related to certain equipment; and
    (b) any draw or distribution to the owner of the SafeSplash Business.

TABLE 2
FRANCHISED HOSTED LOCATIONS
GROSS REVENUES BY FRANCHISEE
IN FISCAL YEAR 2024

The figures in Table 2 present actual Gross Revenues experienced by 18 franchisees who owned and operated 53 Franchised Hosted Locations during Fiscal Year 2024. As most franchisees operate multiple Hosted Locations, we have presented the data in this table in groups based on the number of Hosted Locations operated by each franchisee.

As of December 31, 2024, there were 62 Franchised Hosted Locations. In this table, we have included data for 53 of the 62 units. The data does not include six Franchised Hosted Locations that first opened in 2024 and three Franchised Hosted Locations that closed for portions of Fiscal Year 2024, as these nine units were not open and operating for all of Fiscal Year 2024. 19 Franchised Hosted Locations were permanently closed in Fiscal Year 2024, and one Franchised Hosted Location was temporarily closed as of December 31, 2024 (which reopened at a new location in 2025). These 20 units were not included in the data, since they were not open as of December 31, 2024.

Number of Hosted Locations	Number of Franchisees	Average Number of Hosted Locations	Average	#/% Met or Exceeded Average Amount	Median	Low	High
1	4	1.0	$72,156	2 of 4 (50%)	$76,290	$42,633	$93,410
2 to 3	9	2.2	$612,000	3 of 9 (33%)	$518,092	$112,865	$1,752,378
4 to 10	5	5.8	$1,010,901	2 of 5 (40%)	$564,948	$258,662	$2,595,645

TABLE 3
FRANCHISED HOSTED LOCATIONS
GROSS REVENUES BY INDIVIDUAL LOCATIONS
BY AVERAGE OPERATING DAYS
IN FISCAL YEAR 2024

The figures in Table 3 present actual Gross Revenues experienced by 53 Franchised Hosted Locations during Fiscal Year 2024. The data is presented in three groups divided by the average number of days the Franchised Hosted Location conducted classes per week during Fiscal Year 2024 (the "**Average Operating Days**") rounded up or down to the nearest whole number.

As of December 31, 2024, there were 62 Franchised Hosted Locations. In this table, we have included data for 53 of the 62 units. The data does not include six Franchised Hosted Locations that first opened in 2024 and three Franchised Hosted Locations that closed for portions of Fiscal Year 2024, as these nine units were not open and operating for all of Fiscal Year 2024. 19 Franchised Hosted Locations were permanently closed in Fiscal Year 2024, and one Franchised Hosted Location was temporarily closed as of December 31, 2024 (which reopened at a new location in 2025). These 20 units were not included in the data, since they were not open as of December 31, 2024.

Please note that the performance of Hosted Locations varies significantly based on the arrangement between the franchisee and the third-party host facility, including the number and timing of hours and the amount of space in the pool that the franchisee is permitted to use. Because the pool in a Hosted Location is typically shared with the host facility's users, most Hosted Locations are only permitted to conduct a limited number of classes per week. Accordingly, Hosted Locations are operated between one and seven days per week.

Average Operating Days	Number of Hosted Locations	Average Gross Revenues	#/% Met or Exceeded Average Gross Revenues	Median Gross Revenues	Low Gross Revenues	High Gross Revenues
1 to 2	14	$67,607	7 of 14 (50%)	$66,588	$25,091	$187,537
3 to 4	23	$187,193	10 of 23 (43%)	$157,755	$42,633	$394,164
5 or more	16	$349,951	6 of 16 (38%)	$253,974	$105,052	$966,308
All Hosted Locations	53	$204,738	22 of 53 (42%)	$155,725	$25,091	$966,308

Notes to Table No. 3:

1) Of the 53 Hosted Location included in the table, three averaged one Operating Day, 11 averaged two Operating Days, 19 averaged three Operating Days, four averaged four Operating Days, nine averaged five Operating Days, five averaged six Operating Days, and two averaged seven Operating Days.

TABLE 4
AFFILIATED HOSTED LOCATIONS
GROSS REVENUES AND EXPENSES IN FISCAL YEAR 2024

The figures in Table 4 present actual Gross Revenues and expenses experienced by 11 Affiliated Hosted Locations during Fiscal Year 2024. The data is also divided into two groups based on the Average Operating Days for each Affiliated Hosted Location, rounded up or down to the nearest whole number.

As of December 31, 2024, there were 15 Affiliated Hosted Locations. In this table, we have included data for 11 of the 15 units. Four of those 15 units opened in 2024 and are not included in this table because they did not operate throughout all of Fiscal Year 2024. Two Affiliated Hosted Locations were permanently closed in Fiscal Year 2024.

Please note that we are presenting expense data about our Affiliated Hosted Locations, rather than Franchised Hosted Locations, because Franchised Hosted Locations do not track and report all of their expenses by individual location, as most franchisees operate multiple Hosted Locations and aggregate related expenses.

				Average Operating Days	
		Average	**% Gross Revenues**	**5 to 6**	**2 to 4**
(1)	**Gross Revenue**	$265,658		$530,285	$114,442
(2)	Payroll - Wet	$51,069	19.2%	$105,427	$20,008
(3)	Payroll - Dry - Staff	$20,993	7.9%	$28,050	$16,961
(4)	Payroll - Other	$14,744	5.5%	$27,373	$7,527
(5)	Rent	$46,391	17.5%	$95,158	$18,525
(6)	Marketing	$10,626	4.0%	$21,211	$4,578
(7)	Merchant/CC Fees	$8,688	3.3%	$17,498	$3,653
(8)	Supplies	$1,211	0.5%	$2,167	$665
(9)	Other	$1,665	0.6%	$2,351	$1,273
(10)	Insurance	-	-	-	-
(11)	Royalties	$15,939	6.0%	$31,817	$6,867
(12)	Enhanced Services	$26,566	10.0%	$53,028	$11,444
(13)	**Adjusted 4-Wall EBITDA**	$67,764	25.5%	$146,204	$22,942

Additional Details:

	Average	**#/% Met or Exceeded Average Amount**	**Median**	**Low**	**High**
Gross Revenues					
5 to 6 Average Operating Days	$530,285	2 of 4 (50%)	$503,736	$337,713	$775,954
2 to 4 Average Operating Days	$114,442	3 of 7 (43%)	$94,099	$28,358	$253,090
All Locations	$265,658	4 of 11 (36%)	$148,565	$28,358	$775,954
Adjusted 4-Wall EBITDA					
5 to 6 Average Operating Days	$146,204	2 of 4 (50%)	$130,604	$72,709	$250,897
2 to 4 Average Operating Days	$22,942	4 of 7 (57%)	$29,048	($21,628)	$66,151
All Locations	$67,764	4 of 11 (36%)	$37,368	($21,628)	$250,897

Notes to Table No. 4:

1) Of the 11 Affiliated Hosted Location included in the table, nine are located in San Jose, California, one is located in Colorado, and one is located in Arizona.

2) Of the 11 Affiliated Hosted Location included in the table, four averaged two Operating Days, one averaged three Operating Days, two averaged four Operating Days, one averaged five Operating Days, and three averaged six Operating Days.

3) "**Gross Revenues**" means all revenue a franchisee receives or otherwise derives from operating the SafeSplash Business and/or using the System or the Marks (including all revenue from swimming-related and aquatics-related services, retail sales, parties, coaches fees, annual service fees, late withdrawal fees, and sales made away from the Swim Facility), whether the receipts are evidenced by cash, credit, checks, gift certificates, services, property, or other means of exchange. Gross Revenues do not include: (1) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers of the SafeSplash Business, provided that the amount of any such tax is shown separately and in fact paid by you to the appropriate governmental authority; and (2) all customer refunds and valid discounts and credits made by the SafeSplash Business (exclusions will not include any reductions for credit card user fees, returned checks or reserves for bad credit or doubtful accounts).

4) "**Payroll – Wet**" means hourly and salary payroll expenses for staff providing swimming lesson instruction for students in the pool ("**Wet Staff**") and does not include bonuses.

5) "**Payroll – Dry**" means hourly and salary payroll expenses (including bonuses) for front desk personnel who are not in the pool ("**Dry Staff**").

6) "**Payroll – Other**" means other payroll expenses relating to Wet Staff and Dry Staff, including bonuses, payroll taxes, workers compensation, and benefits (e.g., health insurance, 401k match, disability, and life) and any other payroll expenses.

7) "**Occupancy**" means the revenue share fees paid to the owner of the host facility that houses the Hosted Location, which ranges from 10% to 22.5% of Gross Revenues.

8) "**Marketing**" is an imputed figure equal to 4% of Gross Revenues, which reflects the required Strategic Marketing and Promotions Fund contribution of 2% of Gross Revenues plus the Local Advertising Expense equal to 2% of Gross Revenues, both of which are required for a new franchisee. We did not present the actual marketing expenditures of these Affiliated Hosted Locations, because the Affiliated Hosted Locations have not been required to spend the amount on marketing that is required of new franchisees.

9) "**Merchant and Credit Card Fees**" means payment processing fees, credit card transaction fees, bank charges, and other related fees.

10) "**Supplies**" means expenses associated with pool chemicals, janitorial/cleaning (including janitorial services), instructional supplies, uniforms, and office supplies.

11) "**Other**" means expenses associated with merchandise (including retail/food goods for sale), fees related to professional services (e.g., legal and accounting), business meals and travel, recruiting, training, employee screening, dues and subscriptions, security, shipping and postage, and incidentals.

12) “**Insurance**” Because insurance-related expenses for Affiliated Hosted Locations are difficult to calculate on a per outlet basis, the figure here reflects an estimate of insurance-related expenses a franchisee will incur based on information provided to us by multiple Franchised Businesses operating as Hosted Locations.

13) ”**Royalties**” includes imputed royalties equal to 6% of Gross Revenues, which is the percentage royalty fee a new franchisee will pay. Because affiliate-owned SafeSplash Businesses do not pay royalties, we have imputed these figures.

14) “**Enhanced Services**” includes an imputed Enhanced Services Fees equal to 10% of Gross Revenues, which is the percentage Enhanced Services Fee a new franchisee will pay if it chooses to participate in the optional Enhanced Services Model. Because all of the affiliate-owned SafeSplash Businesses operating Hosted Locations participate in the Enhanced Services Model (without paying the fee), we have imputed these figures. A majority of Franchised Hosted Locations participate in the Enhanced Services Model.

15) “**Adjusted 4-Wall EBITDA**” means the amounts that remain when all expenses listed in the statement (including imputed figures) are subtracted from Gross Revenues. “**EBITDA**” means earnings before interest, taxes, depreciation, and amortization.

16) The figures in this table do not include:
    (a) depreciation, amortization, and debt service related to the remodel and build-out costs a Franchised Business may incur, including such deductions related to certain equipment; and
    (b) the expenses incurred by our affiliates in connection with managing these Affiliated Hosted Locations, which averaged $20,993 across the 11 Affiliated Hosted Locations reflected in the table; and
    (c) any draw or distribution to the owner of the SafeSplash Business.

Notes to All Tables in Item 19:

1. **Some SafeSplash Businesses have sold or earned this amount. Your individual results may differ. There is no assurance that you’ll sell or earn as much.**

2. The information in this Item 19 was prepared from sales records and reports from the SafeSplash Businesses operated by franchisees and our affiliates. The Gross Revenues data in all Tables was obtained from the point-of-sale system, which automatically sends revenue and other transactional data to a data warehouse that we use to generate revenue-related reports. The expenses data in Tables 1 and 4 was obtained from reports provided by franchisees and our affiliates.

3. You are responsible for developing your own business plan for your SafeSplash Business, including capital budgets, financial statements, projections, and other elements appropriate to your particular circumstances.

4. Written substantiation for the financial performance representation will be made available to prospective franchisees upon request.

Other than as set forth above, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting SafeSplash Brands, LLC d/b/a Streamline Brands, 12240 Lioness Way, Parker, Colorado 80134 (Telephone: (303) 799-1885), the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

This Item 20 includes only SafeSplash-branded Franchised Businesses, comprised of: (i) Dedicated Locations, (ii) Dedicated Locations with SwimLabs Technology Package (including those formerly referred to as Dual Brand Locations where the SafeSplash Business was operated in conjunction with a SwimLabs Business), and (iii) Hosted Locations. Because Satellite Locations are permanent locations that resemble Dedicated Locations or Hosted Locations, we treat them as separate outlets for purposes of this Item 20. This Item 20 does not include the Franchised Competing Businesses (other than the Dual Brand Locations), the Affiliated Competing Businesses, and the Saf-T Competing Businesses, which differ in certain ways from SafeSplash Businesses.

TABLE NO. 1
Systemwide Outlet Summary for Years 2022-2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	85	94	+9
	2023	94	103	+9
	2024	103	90	-13
Affiliate-Owned	2022	11	18	+7
	2023	18	25	+7
	2024	25	29	+4
Total Outlets	**2022**	**96**	**112**	**+16**
	2023	**112**	**128**	**+16**
	2024	**128**	**119**	**-9**

TABLE NO. 2
Transfers of Franchised Outlets for Years 2022-2024

State	Year	Number of Transfers
Colorado	2022	0
	2023	0
	2024	1
Oregon	2022	2
	2023	0
	2024	0
Washington	2022	7
	2023	0
	2024	0
Total	**2022**	**9**
	2023	**0**
	2024	**1**

TABLE NO. 3
Status of Franchised Outlets for Years 2022-2024

State	Year	Outlets at Start of the Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons*	Outlets at End of the Year
Alabama	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
California	2022	9	11	0	0	0	1	19
	2023	19	2	0	0	0	0	21
	2024	21	1	0	0	0	7	15
Colorado	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	2	0	0	0	0	7
Connecticut	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
District of Columbia	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Georgia	2022	4	0	0	0	0	1	3
	2023	3	0	0	0	0	1	2
	2024	2	0	0	0	2	0	0
Idaho	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Iowa	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Kentucky	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Maryland	2022	1	0	0	0	0	0	1
	2023	1	3	0	0	0	0	4
	2024	4	0	0	0	0	3	1
Massachusetts	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Michigan	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	1	3
	2024	3	0	0	0	0	3	0
Missouri	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
New Hampshire	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	1	0

State	Year	Outlets at Start of the Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons*	Outlets at End of the Year
New Jersey	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	1	5
New York	2022	4	0	0	0	0	1	3
	2023	3	0	0	0	0	0	3
	2024	3	1**	0	0	0	1**	3
North Carolina	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Ohio	2022	6	0	0	0	0	2	4
	2023	4	1	0	0	0	2	3
	2024	3	1	0	0	0	0	4
Oklahoma	2022	1	0	0	0	1	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Oregon	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
South Carolina	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
South Dakota	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Tennessee	2022	3	3	0	0	0	0	6
	2023	6	2	0	0	0	1	7
	2024	7	1	0	0	0	1	7
Texas	2022	21	1	0	1	0	1	21
	2023	21	5	0	0	0	1	25
	2024	25	1***	0	0	0	4***	22
Virginia	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
Washington	2022	7	1	0	0	0	1	7
	2023	7	1	0	0	0	0	8
	2024	8	0	0	0	0	0	8
Totals	**2022**	**85**	**18**	**0**	**0**	**1**	**8**	**94**
	2023	**94**	**16**	**0**	**0**	**0**	**7**	**103**
	2024	**103**	**10**	**0**	**0**	**2**	**21**	**90**

* The SafeSplash Businesses listed in the “Ceased Operations – Other Reasons” category were all Hosted Locations that closed.

** One SafeSplash Business in New York temporarily closed in 2024 but reopened at a new location in same year (2024).

*** One SafeSplash Business in Texas temporarily closed in 2024 but reopened at a new location in 2025.

TABLE NO. 4
Status of Affiliate-Owned Outlets for Years 2022-2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Arizona	2022	0	0	0	0	0	0
	2023	0	2	0	0	0	2
	2024	2	2	0	1	0	3
California	2022	5	3	0	0	0	8
	2023	8	2	0	0	0	10
	2024	10	0	0	1	0	9
Colorado	2022	5	0	0	0	0	5
	2023	5	0	0	1	0	4
	2024	4	0	0	0	0	4
Georgia	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	2	0	0	2
Maryland	2022	1	2	0	1	0	2
	2023	2	0	0	0	0	2
	2024	2	1	0	0	0	3
Missouri	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
Nevada	2022	0	0	0	0	0	0
	2023	0	2	0	0	0	2
	2024	2	2	0	2	0	2
Oklahoma	2022	0	0	1	0	0	1
	2023	1	0	0	1	0	0
	2024	0	0	0	0	0	0
Rhode Island	2022	0	0	0	0	0	0
	2023	0	2	0	0	0	2
	2024	2	0	0	0	0	2
Texas	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
	2024	1	1	0	1	0	1
Virginia	2022	0	2	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
Totals*	**2022**	**11**	**7**	**1**	**1**	**0**	**18**
	2023	**18**	**9**	**0**	**2**	**0**	**25**
	2024	**25**	**7**	**2**	**5**	**0**	**29**

*All Affiliated-Owned Outlets referenced here are branded as SafeSplash Swim Schools and are operated by Parker, as described in Item 1. We do not operate any SafeSplash Businesses.

TABLE NO. 5
Projected Openings as of December 31, 2024

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Alabama	2	0	0
Arizona	0	0	4
California	3	6	4
Colorado	2	0	0
Kentucky	1	0	0
Maryland	1	0	0
Missouri	3	0	0
New Jersey	2	1	0
New York	0	2	0
North Carolina	2	1	0
Ohio	3	2	0
Oregon	1	0	0
Pennsylvania	1	0	0
South Carolina	2	0	0
Tennessee	0	4	0
Texas	9	4	0
Virginia	2	0	0
Washington	1	0	0
Totals	**35**	**20**	**8**

The name of each of our franchisees and the address and telephone number of each of their outlets is set forth in **Exhibit E**. Upon your request, we will make available to you information concerning the length of time our franchisees have been in the franchise system and contact information.

The name and last known home address and telephone number of every franchisee who has had a Franchise Agreement terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement since our formation or who has not communicated with us within 10 weeks of the date of this Franchise Disclosure Document is listed on **Exhibit F** to this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you. No trademark-specific franchisee organization exists that is associated with the franchise system being offered.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Franchise Disclosure Document as **Exhibit G** are our audited financial statements for the fiscal years ended December 31, 2024, December 31, 2023, and December 31, 2022. Our fiscal year end is December 31.

Also attached to this Franchise Disclosure Document as **Exhibit G** is our unaudited balance sheet and income statement as of March 31, 2025.

ITEM 22
CONTRACTS

The following agreements are attached as exhibits to this Franchise Disclosure Document:

Exhibit:

B. Franchise Agreement
   Attachment A – Territory and Initial Franchise Fee
   Attachment B – Guaranty and Assumption of Franchisee's Obligations
   Attachment C – Statement of Ownership
   Attachment D – EFT Authorization
   Attachment E – Collateral Assignment of Telephone Numbers, Telephone Listings and Internet Addresses
   Attachment F – Lease Addendum and Collateral Assignment of Lease
   Attachment G – Hosted Location Addendum
   Attachment H – SBA Addendum
   Attachment I – Enhanced Services Addendum
   Attachment J – Conversion Location Addendum
C. Development Agreement
H. Statement of Franchisee
I. State Specific Addenda

ITEM 23
RECEIPTS

On the last two pages of this Franchise Disclosure Document, you will find two (2) copies of the Receipt Page. You must sign, date and deliver one copy of the Receipt Page to us for our records.

FDD EXHIBIT A

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	California Department of Financial Protection & Innovation 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677	California Commissioner of Financial Protection & Innovation 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 860-240-8230	Connecticut Banking Commissioner Same Address
FLORIDA	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 850-245-6000	Same
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 404-656-3790	Same
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, HI 96813 808-586-2722	Commissioner of Securities of the State of Hawaii Dept. of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 515-281-4441	Same
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 502-696-5389	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 504-342-7013 (gen. info.) 504-342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 207-298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48913 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 651-539-1500	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance Bureau of Securities / Financial Institutions Division 1526 K Street, Suite 300 Lincoln, NE 68508-2732 P.O. Box 95006 Lincoln, Nebraska 68509-5006 Tele: 402-471-2171	Same
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 603-271-3641	Same
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl. New York, NY 10005 212-416-8222	Secretary of State 99 Washington Avenue Albany, New York 12231
NORTH CAROLINA	Secretary of State’s Office / Securities Division 2 South Salisbury Street Raleigh, NC 27601 919-733-3924	Secretary of State Secretary of State’s Office Same Address
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, 14th Floor Bismarck, ND 58505-0510 701-328-4712; Fax: 701-328-0140	North Dakota Securities Commissioner Same Address

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 30 East Broad Street, 15th Floor Columbus, OH 43215 614-466-8831 or 800-282-0515	Same
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 405-521-2451	Same
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 503-378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Rhode Island Department of Business Regulation Securities Division John O. Pastore Center – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920 401-222-3048	Director, Rhode Island Department of Business Regulation Same address
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 803-734-2166	Same
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Insurance, Securities Regulation 124 S. Euclid Avenue, Suite 104 Pierre, SD 57501 605-773-3563	Director of the South Dakota Division of Insurance, Securities Regulation Same Address
TEXAS	Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887 512-475-1769	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 45804) Salt Lake City, UT 84145-0804 TELE: 801-530-6601 FAX:801-530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9th Floor 1300 E. Main Street Richmond, VA 23219 804-371-9051	Clerk of the State Corporation Commission Tyler Building, 1st Floor 1300 E. Main Street Richmond, VA 23219 804-371-9733
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501 362-902-8760	Director, Dept. of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
WISCONSIN	Wisconsin Dept. of Financial Institutions Division of Securities 345 W. Washington Avenue, 4th Floor Madison, WI 53703 608-266-8557	Wisconsin Commissioner of Securities Same Address

FDD EXHIBIT B

FRANCHISE AGREEMENT

SAFESPLASH BRANDS, LLC d/b/a STREAMLINE BRANDS

EXHIBIT B

FRANCHISE AGREEMENT

Franchise #: ________________________________

Franchisee: ________________________________

Date: ________________________________

Territory: ________________________________

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J. Conversion Location Addendum

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is made effective as of the Effective Date (as defined below), by and between SafeSplash Brands, LLC d/b/a Streamline Brands, a Colorado limited liability company, located at 12240 Lioness Way, Parker, Colorado 80134 ("**Franchisor**"), and ___________________________________, located at ____________________ ________________________ ("**Franchisee**").

RECITALS

WHEREAS, Franchisor has developed a comprehensive system for the operation of a business offering "learn to swim" programs for children and adults, birthday parties, summer camps, and other swimming-related activities that have been approved by Franchisor ("**Services**") and swim-related products and ancillary goods that have been approved by Franchisor ("**Products**") under the trademark "**SAFESPLASH SWIM SCHOOL®**" ("**SafeSplash Business**").

WHEREAS, SafeSplash Businesses are operated under a business format per a unique system with high standards of service, including valuable know-how, information, Trade Secrets, Confidential Information, training methods, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage and research and development ("**System**").

WHEREAS, the distinguishing characteristics of the System include the trademarks "**SAFESPLASH SWIM SCHOOL®**" and other Marks, confidential operating procedures, confidential Operations Manual, standards and specifications for equipment, services and products, methods of service, management and marketing programs and sales techniques and strategies. All of these distinguishing characteristics may be changed, improved and further developed by Franchisor from time to time.

WHEREAS, Franchisor continues to use, develop and control the use of the Marks in order to identify for the public the source of Services and Products marketed under the System, and which represent the System's high standards of quality, service and customer satisfaction.

WHEREAS, Franchisee acknowledges the benefits to be derived from being identified with the System, and also recognizes the value of the Marks and the continued uniformity of image to Franchisee, Franchisor and other franchisees of Franchisor.

WHEREAS, Franchisee acknowledges the importance to the System of Franchisor's high and uniform standards of quality, service and customer satisfaction, and further recognizes the necessity of opening and operating a SafeSplash Business in conformity with the System.

WHEREAS, Franchisee recognizes that in order to enhance the value of the System and goodwill associated with it, this Agreement places detailed obligations on Franchisee, including strict adherence to Franchisor's reasonable present and future requirements regarding the types of products sold, services offered, advertising used, operational techniques, marketing and sales strategies and related matters.

WHEREAS, Franchisee is aware of the foregoing and is desirous of obtaining the right to use the System and in association therewith, the right to use the Marks, and wishes to operate a SafeSplash Business within the Territory specified in this Agreement, subject to the terms and conditions contained in this Agreement.

The parties therefore agree as follows:

1. DEFINITIONS

For the purposes of this Agreement, the following are hereby defined:

(a) "**Affiliate**" means any person or entity that controls, is controlled by, or is in common control with another entity.

(b) "**Agreement**" means this agreement, its attachments, and all instruments in amendment hereof.

(c) "**Annual Service Fees**" means all monies charged and revenue collected to register customers and administer customer accounts for swim lessons provided by the Franchised Business.

(d) "**Applicable Laws**" means all applicable federal, state, and local laws, ordinances, rules, and regulations.

(e) "**Auxiliary Location**" means a temporary location from which Franchisee may offer Products and Services, typically during the summer months, which can be located either within or outside the Territory specified in this Agreement, provided it is not located in the Territory of any other franchisee of Franchisor.

(f) "**Confidential Information**" means all knowledge, know-how, standards, methods and procedures, and other confidential information related to the System, Franchisor's business, Franchisor's vendor relationships, or the establishment, management, promotion and operation of SafeSplash Businesses, including (i) site selection criteria and methodologies; (ii) methods, formats, systems, System standards, sales and marketing techniques, knowledge and experience used in developing and operating SafeSplash Businesses, including information in the Operations Manual; (iii) marketing research and promotional, marketing, advertising, public relations, customer relationship management and other brand-related materials and programs for SafeSplash Businesses; (iv) knowledge of specifications for and suppliers of, and methods of ordering, certain items that SafeSplash Businesses use and/or sell; (v) knowledge of the operating results and financial performance of other SafeSplash Businesses; (vi) customer communication and retention programs, along with data used or generated in connection with those programs; and (vii) any other information Franchisor reasonably designates from time to time as confidential or proprietary. Confidential Information also includes all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, Franchisee's Franchised Business including all Customer Data.

(g) "**Conversion Location**" means a Franchised Business that was previously operated under a different brand before it was converted to a Franchised Business.

(h) "**Customer Data**" means information, records, lists, databases, or data that contains Personal Information.

(i) "**Dedicated Location**" means a physical location with a swimming pool (either a stand-alone building or in-line retail space) that Franchisee leases from a third party or an Affiliate of Franchisee to be operated as a facility dedicated to the operation of the Franchised Business.

(j) "**Designated Business Manager**" means, if Franchisee is an entity, a person who is designated to manage the Franchised Business who has profit and loss responsibility for the Franchised Business, has direct responsibility for all operations of the Franchised Business, and owns not less than 10% of the corporate or business entity.

(k) "**Enhanced Services**" means enhanced administrative services provided by Franchisor, possibly in connection with one or more of its Affiliates (including but not limited to SafeSplash HQ, LLC and SafeSplash DFW, LLC), including a customer relationship management system, a call center, billing services, collection services, scheduling services and core marketing services.

(l) "**FDD**" means the SafeSplash Franchise Disclosure Document that Franchisor provided to Franchisee in relation to the sale of the Franchised Business.

(m) "**Franchised Business**" means the SafeSplash Business to be operated by Franchisee consisting of offering, selling, and providing the Services and Products using the System and in association with the Marks.

(n) "**Goods and Services**" includes all goods, services, furniture, fixtures, equipment, signage, tools, inventory, supplies, uniforms, and hardware and software.

(o) "**Gross Revenues**" means all revenue that Franchisee receives or otherwise derives from operating the Franchised Business and/or using the System or the Marks (including all revenue from swimming-related and aquatics-related services, retail sales, parties, coaches fees, Annual Service Fees, Late Withdrawal Fees, and sales made away from the Swim Facility (including at Satellite Locations and Auxiliary Locations)), whether the receipts are evidenced by cash, credit, checks, gift certificates, services, property, or other means of exchange. Gross Revenues do not include:

(i) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and in fact paid by Franchisee to the appropriate governmental authority; and

(ii) all customer refunds and valid discounts and credits made by the Franchised Business (exclusions will not include any reductions for credit card user fees, returned checks or reserves for bad credit or doubtful accounts).

Gross Revenues shall be deemed received by Franchisee at the time the Services from which they were derived are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment has actually been received by Franchisee. Gross

Revenues consisting of property or other services shall be valued at the retail prices applicable and in effect at the time that they are received.

(p) “**Hosted Location**” means a third-party fitness center, health club, diving facility or other facility with a swimming pool which Franchisee uses for the operation of the Franchised Business pursuant to a lease or license between Franchisor and the operator of such facility or, in some cases, between Franchisee and the operator of such facility.

(q) “**Late Withdrawal Fees**” means all monies charged and revenue collected from late withdrawing customers for swim lessons provided by the Franchised Business.

(r) “**Lease**” means any agreement (whether oral or written) under which the right to occupy a Swim Facility at a Dedicated Location has been obtained, and any amendment made thereto from time to time, including without limitation, any offer to lease, license or lease agreement. The term “**Lease**” shall include a sublease and a renewal or extension of a lease or sublease. Franchisee acknowledges and agrees that before any Lease will be accepted by Franchisor, the Lease must incorporate the terms of the Lease Addendum attached to this Agreement as **Attachment F**.

(s) “**Marks**” means the trademarks “**SAFESPLASH SWIM SCHOOL®**” and “**SAFESPLASH SWIM SCHOOL and design**,” together with such other trade names, trademarks, symbols, logos, distinctive names, service marks, certification marks, logo designs, insignia or otherwise which may be designated by Franchisor from time to time as part of the System for use by franchisees, and not thereafter withdrawn.

(t) “**Operations Manual**” means, but is not limited to, collectively, all directives, books, pamphlets, bulletins, memoranda, order forms, packing slips, invoices, letters, e-mail, Internet or intranet data, or other publications, documents, software programs, video tapes, transmittances or communications, in whatever form (including electronic form) prepared by or on behalf of Franchisor for use by franchisees generally or for Franchisee in particular, setting forth information, advice and standards, requirements, marketing information and procedures, operating procedures, instructions or policies relating to the operation of SafeSplash Businesses or franchises, as the same may be added to, deleted, or otherwise amended by Franchisor from time to time.

(u) “**Personal Information**” means information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, potential consumer, individual or household, as such term may be further defined or amended by applicable federal, state, and local statutes, regulations ordinances and requirements, including but not limited to, the California Consumer Privacy Act. Personal Information includes names, contact information, financial information and other personal information of or relating to the customers and prospective customers of the Franchised Business.

(v) “**Satellite Location**” means an additional permanent location from which Franchisee can operate the Franchised Business within the Territory specified in this Agreement.

(w) “**Security Incident**” means any actual or suspected accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to Customer Data in violation of applicable Privacy Laws, this Agreement, or the Operations Manual.

(x) “**Swim Facility**” means the retail store front, commercial facility, or other approved location from which Franchisee sells and provides Products and Services in connection with the Franchised Business. The Swim Facility may be a Dedicated Location or a Hosted Location, depending on which type of location is authorized under this Agreement.

(y) “**Territory**” means the territory specified in **Attachment A**.

(z) “**Trade Secret(s)**” means information, including any formula, pattern, compilation, program, device, method, training technique or process related to the System that both derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

2. COVENANTS, REPRESENTATIONS AND WARRANTIES OF FRANCHISEE.

Franchisee covenants, represents and warrants as follows and acknowledges that Franchisor is relying upon such covenants, representations and warranties in making its decision to enter into this Agreement:

2.1 Financial Ability. Franchisee has made firm arrangements to acquire funds to commence, open and operate the Franchised Business and Franchisee is financially and otherwise able to conduct the business contemplated under this Agreement.

2.2 Truthful Statements. All statements made by Franchisee in writing in connection with its application for this Franchise were, to the best of its knowledge, true when made and continue to be true as of the date of this Agreement. Franchisee acknowledges that the License has been granted in reliance upon the information supplied to Franchisor in Franchisee’s application for a Franchise.

2.3 No Other Financial Obligations. There are no material financial obligations of Franchisee, whether actual or contingent, which are outstanding as of the date of this Agreement other than those disclosed to Franchisor by Franchisee in writing.

2.4 No Limits on Performance. Franchisee is not a party to nor subject to any court or administrative order or action of any governmental authority which would limit or interfere in any way with the performance by Franchisee of its obligation hereunder.

2.5 No Other Legal Proceedings. Franchisee is not a party to any litigation or legal proceedings other than those which have been disclosed to Franchisor by Franchisee in writing.

2.6 No Conflicting Agreements. Franchisee represents that it is not a party to nor subject to agreements that might conflict with the terms of this Agreement and agrees not to enter into any conflicting agreements during the Term or any Successor Terms.

2.7 No Crimes of Violence or Crimes Against Children. Franchisee represents that neither Franchisee nor Franchisee's owners, if Franchisee is a legal entity, have been accused of or convicted of a crime against a child or any form of physical violence or sexual assault against any person.

2.8 Compliance with Anti-Terrorism Laws. Franchisee and its owners agree to comply with and / or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and its owners certify, represent and warrant that none of their property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws.

(a) Franchisee and its owners certify that none of them, their respective employees, or anyone associated with Franchisee is listed in the Annex to Executive Order 13224 (which can be accessed at *http://www.treasury.gov/offices/enforcement/ofac/legal/eo/13224.pdf*). Franchisee agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex.

(b) Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its owners, their employees or anyone associated with Franchisee to be listed in the Annex to Executive Order 13224.

(c) Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities set forth in this Agreement pertain to its obligations under this Section 2.8.

(d) Any misrepresentation under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its owners, agents, its employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered with Franchisor or any of Franchisor's Affiliates.

(e) "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control and any government agency outside the U.S.) addressing or in any way relating to terrorist acts and / or acts of war.

3. GRANT OF LICENSE.

3.1 Rights Granted. Subject to all the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee, and Franchisee accepts, for the term of this Agreement, the right and license ("**License**") to:

(a) Operate one franchised SafeSplash Business under the Marks and using the System in a Swim Facility that is located in the Territory (the "**Franchised Business**"); and

(b) Offer and market only the Services and Products that Franchisor has approved in writing.

3.2 Format. **Attachment A** will specify whether Franchisee is authorized to operate its Franchised Business from a Swim Facility that is a Dedicated Location or a Hosted Location and whether such Swim Facility is also considered to be a Conversion Location. If Franchisee is authorized to operate a Hosted Location, Franchisee must execute the Hosted Location Addendum that is attached as **Attachment G** to this Agreement. If the Swim Facility is also a Conversion Location, Franchisee must execute the Conversion Location Addendum that is attached as **Attachment J** to this Agreement.

3.3 Optional Technology Package. If Franchisee is purchasing the right to operate a Dedicated Location, Franchisee may purchase a SwimLabs-branded technology package ("**SwimLabs Technology Package**"), which will enable Franchisee's Dedicated Location to offer advanced swimming skill level instruction and aquatic training using a technical approach involving 360-degree video capture and review and stroke analysis in flow pools/tanks. If Franchisee elects to purchase a SwimLabs Technology Package, **Attachment A** will be marked accordingly.

3.4 Restrictions on Rights. Franchisee has no right to (i) sublicense the Marks or the System to any other person or entity, (ii) use the Marks or the System at any location other than a location approved by Franchisor in writing, (iii) use the Marks or the System in any wholesale, e-commerce, or other channel of distribution besides the operation of the Franchised Business at approved physical locations, or (iv) to sell Products to any vendor that Franchisee knows, or should reasonably suspect, will resell such Products to consumers. Franchisee recognizes that the rights that are granted to Franchisee are for the specific Territory, specified in Attachment A and no other, and cannot be transferred to an alternate Territory, without the prior written approval of Franchisor, which approval the Franchisor has the right to grant or withhold for any reason or no reason.

3.5 Changes to the System. Franchisee recognizes that variations and additions to the System may be required from time to time in order to preserve and/or enhance the System. Therefore, Franchisor expressly reserves the right to add to, subtract from, revise, modify, or change from time to time the System or any part thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification, or change and to make such reasonable expenditures as may be necessary to comply pursuant to Section 9.

3.6 Guaranty and Assumption of Franchisee's Obligations. Upon entering into this Agreement, all of the shareholders of the securities of Franchisee (if Franchisee is a corporation), all of the partners (if Franchisee is a partnership), and all of the members of Franchisee (if Franchisee is a limited liability company) must sign the Guaranty and Assumption of Franchisee's Obligations set forth in **Attachment B** to this Agreement.

4. TERM OF THE AGREEMENT AND LICENSE

4.1 Initial Term. This Agreement and the License granted shall become effective on the Effective Date and shall continue until midnight on the day before the tenth (10^{th}) anniversary of the date the Swim Facility opened for business (the "**Initial Term**"), unless earlier terminated in accordance with the provisions of this Agreement.

4.2 Successor Term. When the Initial Term expires, Franchisee shall have the option to extend Franchisee's rights to operate the Franchised Business for one additional term of 10 years (the "**Successor Term**" and, collectively with the Initial Term, the "**Term**"), provided that Franchisee complies with the following conditions, which Franchisor may agree to waive in its sole discretion:

(a) Franchisee must have substantially and timely complied with each provision of this Agreement or any other agreement with Franchisor, its affiliates, or Franchisee's landlord throughout the Initial Term and must not have any default, or event which with the giving of notice and/or passage of time would constitute a default, in existence as of the expiration of the Initial Term; and

(b) Franchisee must not have received notice of two or more breaches of this Agreement in the 24 months prior to the end of the Initial Term, even if such breaches were timely remedied;

(c) Franchisee must give Franchisor a written notice of intent to renew no less than six months or more than nine months prior to expiration of the Term;

(d) Franchisee must be current in all payment obligations to Franchisor and to Franchisee's Lessor, suppliers, or trade creditors;

(e) Franchisee must execute a new Franchise Agreement ("**Successor Franchise Agreement**") and all other agreements in the form then being used by Franchisor in granting new franchises. Franchisor reserves the right to change any term(s) of the Franchise Agreement form to be signed by Franchisee at the time Franchisee extends its rights to operate the Franchised Business (except as specified below), including the fees and the Territory. There shall not, however, be another Initial Franchise Fee charged at the time Franchisee signs the Successor Franchise Agreement;

(f) Franchisee and its owners must execute a general release of all claims Franchisee may have against Franchisor, its officers, directors, members, shareholders, agents, Affiliates, and employees, whether in their corporate and / or individual capacities and such release must be in a form satisfactory to Franchisor;

(g) Franchisee must pay a successor franchise fee equal to ten percent (10%) of the then-current Initial Franchise Fee for a new, non-conversion Dedicated Location or Hosted Location (whichever format is applicable for the Swim Facility), which is due and payable to Franchisor at the time of signing the Successor Franchise Agreement;

(h) Franchisee must refurbish or renovate the Swim Facility if it is a Dedicated Location, at Franchisee's expense, to conform the decor, color schemes, storefront, signage, and presentation of the Marks to Franchisor's then-current image and, if necessary, in Franchisor's sole opinion, to update and replace the equipment, computer systems, furniture, signage, and fixtures to meet Franchisor's then-current specifications; and

(i) Franchisee must provide proof of current licenses, insurance, and permits.

FRANCHISEE MAY BE DEEMED BY FRANCHISOR TO HAVE IRREVOCABLY DECLINED TO EXTEND ITS RIGHTS TO OPERATE THE FRANCHISE (AND ITS OPTION SHALL THEN TERMINATE) IF IT FAILS TO EXECUTE AND RETURN TO FRANCHISOR THE SUCCESSOR FRANCHISE AGREEMENT AND OTHER DOCUMENTS REQUIRED BY FRANCHISOR WITHIN THIRTY (30) DAYS AFTER THEIR DELIVERY TO FRANCHISEE, OR FAILS TO COMPLY IN ANY OTHER WAY WITH THE PROVISIONS OF THIS SECTION 4.2.

4.3 Interim Period. If Franchisee does not sign a new Franchise Agreement and complete the renewal process prior to the expiration of this Agreement and continues to operate the Franchised Business and accept the benefits of this Agreement after the expiration of this Agreement, then, at the option of Franchisor, this Agreement may be treated either as (i) expired as of the date of expiration, with Franchisee then operating without any authorization to do so, in violation of Franchisor's rights; or (ii) continued on a month-to-month basis (the "**Interim Period**") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after the other party's receipt of the notice to terminate the Interim Period. The Interim Period shall be considered part of the Term. However, if Franchisee enters into a Successor Term, the Successor Term will be deemed to have begun upon expiration of the Initial Term, rather than the Interim Period. If Franchisor allows for an Interim Period, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Agreement had not expired and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period. However, during the Interim Period, the monthly Royalty (as defined in Section 6.2) shall increase by an amount equal to 2% of the Gross Revenues of the Franchised Business during each week that Franchisee fails to enter into a Successor Term until (i) Franchisee complies with the conditions necessary to obtain a Successor Term (including execution of the Successor Franchise Agreement and a general release and payment of the successor franchise fee) or (ii) this Agreement is terminated. By accepting any increased Royalties, Franchisor does not waive any of its rights and remedies under this Agreement, including the right to terminate this Agreement.

5. TERRITORY AND LOCATIONS

5.1 Designation of Territory. Once established, the boundaries of the Territory will not be adjusted without Franchisor's written consent, which Franchisor has the right to grant or deny for any reason or no reason.

5.2 Limited Territorial Protection. During the Term, for so long as Franchisee is in compliance with all of its obligations hereunder, except as otherwise provided in this Agreement, and subject to Franchisor's reservation of rights as set forth in Section 5.3 below, Franchisor or any of its Affiliates will not establish or operate, or license another person or entity to establish or operate, a SafeSplash Business using the Marks within the Territory.

5.3 Franchisor's Reserved Rights. Except as otherwise provided in Section 5.2, Franchisor and its Affiliates have the right to conduct any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on the Franchised Business. Franchisee acknowledges that Franchisor and its Affiliates retain the exclusive right, among others, to:

(a) establish or operate, or license to any other person or entity the right to establish or operate, a SafeSplash Business at any location outside the Development Territory, regardless of its proximity to the Territory;

(b) use, license, and franchise the use of trademarks or service marks other than the Marks through any channels of distribution or at any location inside or outside the Territory, including in association with operations that offer the same or similar products and services as the Franchised Business;

(c) use the Marks and the System in connection with the provision of services and products other than the Services or Products at any location inside or outside the Territory;

(d) offer or sell the Services or Products, or grant others the right to offer or sell the Services or Products, whether using the Marks or other trademarks or service marks, through alternative channels of distribution, including through wholesalers, retail outlets or other distribution outlets (other than SafeSplash Businesses), e-commerce, or mail order, whether inside or outside the Territory;

(e) use any websites utilizing a domain name incorporating one or more of the words "Safe" and / or "Splash" or similar derivatives thereof;

(f) acquire, or be acquired by, businesses that are the same as or similar to the Franchised Business and continue to operate such businesses regardless of where such businesses are located, including inside the Territory; and

(g) implement multi-area marketing programs which may allow Franchisor or others to solicit or sell customers anywhere and issue mandatory policies, including pricing and promotion policies, to coordinate such multi-area marketing programs.

5.4 Operation Limited to Swim Facility. Except as otherwise provided in Sections 5.5 and 5.6, Franchisee may operate the Franchised Business only at the Swim Facility that is designated in **Attachment A** to this Agreement. Franchisee may not relocate the Franchised Business from the Swim Facility without Franchisor's prior written approval, which may be withheld for any reason. Franchisee may not change the Swim Facility from a Dedicated Location to a Hosted Location or vice versa without Franchisor's written approval, which may be withheld for any reason.

5.5 Satellite Locations. If Franchisee would like to operate the Franchised Business from an additional location within the Territory (in addition to the Swim Facility identified in **Attachment A**), it must obtain Franchisor's written approval, which may be withheld for any reason. The Satellite Location may be a Dedicated Location or a Hosted Location. Franchisor may require Franchisee to comply with the site selection provisions of this Agreement in obtaining such approval. If Franchisee's request to operate a Satellite Location is approved by Franchisor, Franchisee must pay a Satellite Location Fee for each such Satellite Location and enter into an amendment to this Agreement in a form satisfactory to Franchisor. The Satellite Location Fee will be determined based on whether the Satellite Location is linked to a Dedicated Location or a Hosted Location. Satellite Locations are coterminous with the Franchise Agreement. All references to the Swim Facility in this Agreement shall also apply to the Satellite Location, including all references to Gross Revenues. There is no separate defined Territory for a Satellite Location.

5.6 Auxiliary Locations. If Franchisee would like to operate an Auxiliary Location within the Territory (in addition to the Swim Facility identified in **Attachment A** and any Satellite Location), it must obtain Franchisor's written approval, which may be withheld for any reason. Franchisor may require Franchisee to comply with the site selection provisions of this Agreement in obtaining such approval. If Franchisee's request to operate an Auxiliary Location is approved by Franchisor, Franchisee must enter into an amendment to this Agreement in a form satisfactory to Franchisor. Franchisee must obtain Franchisor's written consent to renew the right to operate any Auxiliary Location on an annual basis. There is no Initial Franchise Fee assessed for an Auxiliary Location. There is no separate defined Territory for an Auxiliary Location.

6. FEES.

6.1 Initial Franchise Fee. Franchisee must pay to Franchisor the sum set forth on **Attachment A** as a non-recurring initial franchise fee ("**Initial Franchise Fee**") upon the execution of this Agreement. The Initial Franchise Fee shall be paid by means of cashier's check, money order, or wire transfer. The Initial Franchise Fee is paid in consideration of the License and is deemed fully earned upon Franchisee's signing of this Agreement and is non-refundable for any reason once paid.

6.2 Royalty. Franchisee must pay to Franchisor a royalty fee equal to 6% of the Gross Revenues of the Franchised Business (the "**Royalty**"). The Royalty is non-refundable and is paid in consideration of the ongoing right to use the Marks and the System in accordance with this Agreement and not in exchange for services rendered by Franchisor.

6.3 Strategic Marketing and Promotions Fee. Franchisee shall pay to Franchisor a strategic marketing and promotions fee (the "**Strategic Marketing and Promotions Fee**") which shall be contributed to the Strategic Marketing and Promotions Fund. Franchisor may specify, in its sole discretion, the Strategic Marketing and Promotions Fee from time to time, provided that the fee shall not exceed 3% of the Gross Revenues of the Franchised Business.

6.4 Hosted Location Fee. In the event Franchisee's Swim Facility is a Hosted Location at a facility with which Franchisor has contracted, Franchisee shall also pay to Franchisor a Hosted Location fee ("**Hosted Location Fee**") in an amount equal to the exact remuneration due and owing to the Hosted Location's owner pursuant to Franchisor's agreement with such Hosted Location's owner relating to Franchisee's use of the Hosted Location. There will be no Hosted Location Fee charged for facilities for which Franchisee contracts for directly.

6.5 Technology Fee. In the event the Franchised Business is not utilizing the Enhanced Services, Franchisee shall pay to Franchisor a monthly technology fee ("**Technology Fee**") in an amount determined by Franchisor for various technology services that Franchisor will provide or arrange for third parties to provide, which are subject to change over time. Franchisee acknowledges and agrees that Franchisor reserves the right to change the amount of the Technology Fee after providing Franchisee with 30 days' written notice, provided that the fee will not exceed the greater of (a) Franchisor and its Affiliates' aggregate costs, plus a markup of 20% above such aggregate costs, (b) $1,000 per month, or (c) 2.5% of Gross Revenues per month.

6.6 Satellite Location Fee. In the event Franchisee requests, and Franchisor approves such request, for Franchisee to operate a Satellite Location within the Territory, Franchisee must pay to Franchisor a fee ("**Satellite Location Fee**") in an amount equal to 20% of Franchisor's then-current Initial Franchise Fee for a Dedicated Location (if the Satellite Location is linked to a Dedicated Location) or 20% of Franchisor's then-current Initial Franchise Fee for a Hosted Location (if the Satellite Location is linked to a Hosted Location).

6.7 Relocation Fee. In the event Franchisee intends to relocate the Swim Facility, Franchisee must pay to Franchisor a fee ("**Relocation Fee**") in an amount equal to $5,000 for Franchisor to evaluate the location to which Franchisee desires to relocate. In addition to paying such Relocation Fee, Franchisee must comply with Franchisor's relocation policy and procedures specified in the Operations Manual.

6.8 Improper Sales Reporting. If Franchisee fails or refuses to properly record any sales transaction conducted by the Franchised Business in the manner specified in the Operations Manual, Franchisee must pay 125% of the Royalties, fees for Enhanced Services, and any other fees due for such transaction. Such surcharge shall be in addition to any other remedies which may be available to Franchisor under this Agreement. Each failure to record sales transactions shall constitute a material breach of this Agreement, which may constitute grounds for termination of this Agreement, as provided in this Agreement.

6.9 Payment Methods. Franchisee must make all payments to Franchisor by the methods and due dates that Franchisor specifies from time to time in the Operations Manual or otherwise in writing, which may include, among other options, (i) payment via electronic funds transfer from Franchisee's bank account or similar electronic debit ("**Electronic Payments**") or

(ii) payment automatically disbursed to Franchisor by a designated merchant services processor from Gross Revenues collected from customers at the same time the remainder of Gross Revenues is disbursed to Franchisee ("**Processor Payments**"). Currently, the Royalty, Strategic Marketing and Promotions Fee, fee for Enhanced Services, and (in most cases) Hosted Location Fee (collectively, the "**Operating Fees**") are paid through Processor Payments when each customer transaction is completed. Currently, Franchisor collects Operating Fees for ancillary transactions, such as parties and retail sales, via Electronic Payments on a quarterly basis after Franchisee submits a report to Franchisor and Franchisor provides an invoice to Franchisee. Franchisor may change the payment methods and due dates for any fees in its sole discretion, and Franchisee must comply with procedures specified by Franchisor and/or perform such acts and deliver and execute such documents specified by Franchisor, as may be necessary to assist in or accomplish payment by the method Franchisor designates.

(a) Electronic Payments. To enable Electronic Payments, Franchisee authorizes Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to Franchisor and any interest charged due thereon. Franchisee must complete the EFT Authorization attached hereto as **Attachment D**. Franchisee must maintain sufficient funds in its account to permit Franchisor to withdraw the fees due from time to time. If Franchisor is unable to complete a debit due to Franchisee's account having insufficient funds (or if Franchisee pays by check that has insufficient funds) more than one time in any calendar year, in addition to all other remedies which may be available, Franchisor shall have the right to require that any sums due to Franchisor under this Agreement be made by certified or cashier's checks.

(b) Processor Payments. To enable Processor Payments, Franchisee must use the merchant services processor designated by Franchisor and must execute any documents required by such processor. The processor may charge a reasonable monthly fee and reasonable per transaction fee for its services. The processor may process all customer payments related to the Franchised Business, and remit payment to Franchisee of all monies owed, after withholding any Operating Fees or other fees payable to Franchisor and any payment processing fees payable to such processor.

6.10 Late Payments. To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments, Franchisee shall also pay, upon demand, (a) a late interest charge equal to the lesser of (i) 1.5% per month or (ii) the highest legal rate permitted by Applicable Laws, whichever is lower, on all fees and payments due to Franchisor during the period of time said payments are due and unpaid and (b) a late payment fee in the amount of $250 per week during the period of time said payments are due and unpaid. Franchisee acknowledges that this Section 6.8 shall not constitute Franchisor's agreement to accept such payments after same are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of the Franchised Business. Each failure to pay any fees or amounts payable to Franchisor when due shall constitute a material breach of this Agreement, which may constitute grounds for termination of this Agreement, as provided in this Agreement.

6.11 Reimbursement of Taxes. Franchisee shall promptly pay to Franchisor any amount equal to all taxes levied or assessed, including, but not limited to, unemployment taxes, sales taxes, use taxes, withholding taxes, excise taxes, personal property taxes, intangible property taxes, gross receipts taxes or any similar taxes or levies imposed upon or required to be collected or paid by Franchisor by reason of the furnishing or products, intangible property (including trademarks or trade names) or services by Franchisor to Franchisee through the sale, license or lease of property or property rights provided by this Agreement.

6.12 Late Delivery of Reports and Documents. To encourage prompt delivery of all Business Records, Certificates of Insurance, Gross Revenue statements and any other documentation or record that may be requested by Franchisor under this Agreement, Franchisee shall pay, upon demand, a late report fee in the amount of $100 per record or document requested, if Franchisee fails to deliver such record or document when due.

6.13 Gross Revenues Statements. Each quarter, Franchisee must submit to Franchisor a statement of the previous quarter's Gross Revenues on a form approved and provided to Franchisee by Franchisor. Each failure to submit a fully completed statement of the previous quarter's Gross Revenues shall constitute a material breach of this Agreement.

7. ACCOUNTING, RECORDS, AUDITS AND LATE PAYMENT CHARGES

7.1 Recordkeeping. Franchisee shall prepare and keep on a current basis complete and accurate records concerning all financial, marketing and other operating aspects of the Franchised Business conducted under this Agreement. Franchisee shall maintain an accounting system which accurately reflects all operational aspects of the Franchised Business including uniform reports as may be required by Franchisor. Franchisee shall keep its financial books and records as Franchisor may from time to time direct in the Operations Manual or otherwise, including retention of all invoices, order forms, payroll records, cash register tapes, check records, bank deposit receipts, sales tax records, refunds, cash disbursements, journals and general ledgers. Franchisee shall advise Franchisor of the location of all original documents and shall not destroy any records without the written consent of Franchisor.

7.2 Reports and Financial Statements. Within 30 days of the end of each quarter, Franchisee shall submit to Franchisor current financial statements (including balance sheet and profit/loss statements with both period and YTD information), statements of Gross Revenues, and other reports (including Minimum Individual Marketing Expense statements) as Franchisor may reasonably request to evaluate or compile research and performance data on any operational aspect of the Franchised Business. On or before April 15 of each year, Franchisee shall provide Franchisor with financial statements and a copy of its federal tax return for the previous tax year (which have been prepared by an independent Certified Public Accountant).

7.3 Limited to Records of the Franchised Business. The records required under this Section 7 pertain only to Franchisee's operation of the Franchised Business. Franchisor has no right to inspect, audit or copy the records of any unrelated business activity Franchisee may have. Franchisee shall keep the books and records of the Franchised Business separate from the records of any unrelated business activity or personal activity.

7.4 Inspection and Audits. From the date Franchisee and Franchisor sign this Agreement until three years after the end of the Term, Franchisor or Franchisor's authorized agent shall have the right to request, receive, inspect and audit any of the records referred to above wherever they may be located. Franchisor agrees to do inspections and audits at reasonable times. Franchisee agrees to keep all records and reports for seven years from the date such records are created. Should any inspection or audit disclose a deficiency in the payment of any amounts required to be paid under this Agreement, Franchisee shall immediately pay the deficiency to Franchisor, without prejudice to any other remedy of Franchisor under this Agreement. In addition, if Franchisee (1) fails to furnish required reports or supporting records on a timely basis for two or more consecutive reporting periods, (2) fails to have the books and records available for an audit after receiving reasonable, advanced notice from Franchisor, (3) otherwise fails to cooperate with Franchisor's requested audit, or (4) the deficiency for any audit period discloses a deficiency in the amount of any amounts due by 2% or more, Franchisee will also immediately pay to Franchisor the entire cost of the inspection or audit including travel, lodging, meals, salaries and other expenses (including any contingent fee owed to the auditor of the inspecting or auditing personnel). For the purposes of this Section 7.4, an audit period will be each fiscal year. Should the audit disclose an overpayment of any amounts due, Franchisor shall credit the amount of the overpayment to Franchisee's next due payments. Any report of Franchisor's auditor rendered from time to time pursuant to this Section 7, shall be final and binding upon all of the parties hereto.

7.5 Estimated Amounts. If Franchisee's records and procedures are insufficient to permit a proper determination of Gross Revenues, Franchisor shall have the right to deliver to Franchisee an estimate, made by Franchisor, of Gross Revenues for the period under consideration, and Franchisee shall immediately pay to Franchisor any fees that are due on account of such understatement. Any such estimate shall be final and binding upon Franchisee.

7.6 Inquiries. Franchisee hereby authorizes Franchisor to make reasonable inquiries of Franchisee's bank, suppliers and trade creditors concerning the Franchised Business and hereby directs such persons and companies to provide to Franchisor such information and copies of documents pertaining to the Franchised Business as Franchisor may request.

7.7 Ownership of Business Records. Franchisee acknowledges and agrees that Franchisor owns all business records ("**Business Records**") with respect to customers and other service professionals of, and/or related to, the Franchised Business including, without limitation, all databases (whether in print, electronic or other form), including all names, addresses, telephone numbers, e-mail addresses, customer purchase records, and all other records contained in the database and all other Business Records created and maintained by Franchisee. Franchisee further acknowledges and agrees that, at all times during and after the Term, Franchisor may access such Business Records, and may utilize, transfer or analyze such Business Records as Franchisor determines to be in the best interest of the System, in Franchisor's sole discretion.

7.8 Contact Information. Franchisee agrees that, during the Term and for three years after the expiration and termination of this Agreement, Franchisee shall supply to Franchisor Franchisee's home address and telephone number.

8. SERVICES AND ASSISTANCE

8.1 Franchisor's Services. Franchisor shall offer Franchisee initial and continuing services, as Franchisor deems necessary or advisable in furthering Franchisee's Franchised

Business and the business of the System as a whole and in connection with protecting the Marks and goodwill of Franchisor. Failure by Franchisor to provide any particular service, either initial or continuing, shall not excuse Franchisee from any of its obligations under this Agreement.

8.2 Initial Training.

(a) Initial Training Program. Franchisor will provide Franchisee or, if Franchisee is an entity, its Designated Business Manager, without extra charge, with an initial training program in accordance with Franchisor's then-current initial training program (the "**Initial Training Program**"). The Initial Training Program may include a discussion of the System, swim training techniques, procedures, methods of training and operation, advertising, sales techniques, promotional ideas, marketing plans, customer relations, patron safety, instructions on quality standards and practical experience in the operation of a Franchised Business. In addition, Franchisee may send without extra charges, additional personnel to the same Initial Training Program sessions attended by Franchisee or its Designated Business Manager, provided that Franchisor, in its sole discretion, determines there are openings available in such training. Franchisor has the right to charge Franchisee a fee for any subsequent or replacement Designated Business Manager or trainee (provided Franchisor approves the attendance of such trainee) that attends the Initial Training Program, provided that the fee shall not exceed $1,000 per trainee for the program.

(b) Timing and Completion of Initial Training Program. Franchisor shall provide the Initial Training Program no less than 60 days prior to the Required Opening Date set forth on **Attachment A** or Franchisee's receipt of all required licenses, permits and certifications, whichever comes later. Franchisee will not be permitted to open the Franchised Business unless and until Franchisee or Franchisee's Designated Business Manager has attended and successfully completed the entire Initial Training Program to the satisfaction of Franchisor.

(c) Initial On-Site Support. Franchisor may, in its sole discretion, provide Franchisee with up to three days of on-site support services in connection with the opening of Franchisee's initial location(s). If Franchisor does so, such services will include assistance and training involving marketing and operations. Franchisor will be responsible for the travel and living expenses of its trainers for such initial on-site support.

8.3 Operations Manual. During the Term, Franchisor will provide Franchisee with access to Franchisor's confidential Operations Manual containing mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by Franchisor. Required specifications, standards, and operating procedures prescribed from time to time by Franchisor in the Operations Manual or otherwise communicated to Franchisee in writing shall constitute provisions of this Agreement as if fully set forth herein. Franchisee shall operate the Franchised Business strictly in accordance with the Operations Manual. Failure to comply with the standards set forth in the Operations Manual shall constitute a material breach of this Agreement. Franchisor reserves the right to provide the Operations Manual and updates to the Operations Manual in electronic form or other form determined by Franchisor. Franchisor shall have the right to add to, delete, and otherwise modify the Operations Manual from time to time to reflect changes in the System; provided, however, no such addition or modification shall alter Franchisee's fundamental status and rights under this Agreement. Some of the revisions to the Operations Manual may include changes with respect to: (i) sales and marketing strategies; (ii) equipment and supplies; (iii) accounting and reporting systems and forms; (iv) insurance requirements; (v) operating procedures; (vi) Services; (vii) Products; and (viii) site selection. The form and content of the Operations Manual maintained by Franchisor shall prevail in the event of any dispute regarding the form of or content of the Operations Manual between Franchisor and Franchisee.

(a) Implementing Changes. Franchisee covenants to accept, implement and adopt any such modifications at its own cost. Franchisee shall keep its Operations Manual with replacement pages and insertions as instructed by Franchisor.

(b) Ownership of Operations Manual. Franchisee hereby acknowledges that the Operations Manual shall at all times remain the sole and exclusive property of Franchisor, and upon termination of this Agreement for any reason whatsoever, Franchisee shall forthwith return the Operations Manual, together with all copies of any portion of the Operations Manual which Franchisee may have made, to Franchisor.

8.4 Site Selection and Relocation.

(a) Site Selection. Franchisee is solely responsible for locating a site from which to operate the Swim Facility. Franchisee must use Franchisor's designated tenant representative vendor to assist with site selection, unless Franchisee receives Franchisor's written consent to use a different vendor, which Franchisor may grant or withhold in its sole discretion. For a Dedicated Location, Franchisee is also solely responsible for negotiating a Lease for the property. Franchisor will provide assistance to Franchisee in analyzing a location and advice in negotiating the business terms of a Lease. Franchisee acknowledges that Franchisee is responsible for retaining its own legal counsel to negotiate the legal terms of the Lease.

(b) Site Review. Franchisor will analyze a location by examining population density, census data, demographic and income characteristics, proximity of the proposed location to other Franchised Businesses, or any other criteria as set forth in Section 9.2(a). Franchisee must obtain Franchisor's written acceptance of the Swim Facility site before Franchisee may enter into a Lease for the site. Franchisor may accept or reject a proposed site in its sole discretion. Franchisee agrees that Franchisor's acceptance of a site in no way constitutes a representation or warranty with respect to the potential success or viability of the property or the Lease. Franchisee acknowledges that Franchisor's authorization of the Swim Facility site indicates only that Franchisor believes that the site falls within acceptable criteria established by Franchisor as of the approval date.

(c) Relocation. Once Franchisee's Swim Facility is open for business, Franchisee may only relocate the Swim Facility by complying with Franchisor's relocation procedures as set forth in the Operations Manual, which will include paying to Franchisor its then-current relocation fee.

8.5 Ongoing Training and Assistance. Currently, the ongoing training and support services provided by Franchisor to Franchisee after Franchisee opens the Franchised Business shall include:

(a) System Updates. Franchisor will inform Franchisee of any new or modified mandatory or recommended specifications, standards and procedures for the operations of the Franchised Business, including updates or revisions to Franchisor's instructional curriculum.

(b) Technical Support. Franchisor, or its designee, shall provide technical and administrative support to Franchisee in connection with the School Operating and Management Software.

(c) Telephone Support. Franchisor shall make a representative reasonably available to speak with Franchisee on the telephone during normal business hours, as Franchisor determines is necessary, to discuss Franchisee's operational issues and support needs.

(d) Meetings, Conferences, and Programs. Franchisor shall, in its sole discretion, hold periodic meetings, seminars, conferences, or programs ("**Events**") to discuss sales techniques, new Product and Service developments, bookkeeping, training, accounting, inventory control, Swim Facility safety and maintenance issues, performance standards, advertising programs, merchandising procedures and other topics. Franchisee's attendance at most of these Events is voluntary. However, Franchisee, or if Franchisee is an entity, its Designated Business Manager, must attend any Event that Franchisor designates as mandatory. These Events will be held, in Franchisor's sole discretion, virtually or in person at locations chosen by Franchisor. Franchisee may be required to pay Franchisor a registration fee for each representative attending such an Event. As of the Effective Date, the registration fee may be up to $1,000 per attendee per Event, but Franchisor may change the registration fee from time to time, provided that the fee will not increase by more than 200% during the current term of this Agreement. Any collected registration fees are non-refundable for any reason once paid. Franchisee must pay for all of Franchisee's travel and living expenses to attend such optional or mandatory Events.

(e) On-Site Assistance. A representative of Franchisor may, in Franchisor's sole discretion, provide additional on-site assistance. There may be additional charges for this additional on-site assistance, including reimbursement of the travel and living expenses of the Franchisor's representatives. If Franchisor provides additional on-site assistance, Franchisor and Franchisee must agree in advance on the charges for the visit and the length of the visit, provided that the fee will not exceed $1,000 per representative per day, plus such representatives' travel and living expenses.

(f) Annual Recertification Program. Franchisee, or if Franchisee is an entity, its Designated Business Manager, must successfully complete an annual recertification training program ("**The Academy Recertification Training Program**") to Franchisor's satisfaction. The Academy Recertification Training Program consists of online training and provides updates to the topics and content relevant to the operations of the SafeSplash

Business. There is no tuition or fee charged by Franchisor for The Academy Recertification Training Program.

8.6 Enhanced Services. Franchisor will provide Enhanced Services to Franchisee if Franchisee elects to enter into the Enhanced Services Addendum to the Franchise Agreement that is attached as **Attachment I** to this Agreement.

8.7 Hosted Locations. For some Hosted Locations, Franchisor may enter into a facility license agreement directly with the operator of the facility in which the Hosted Location will be located. As set forth in Section 6.4, when Franchisee operates in a Hosted Location which Franchisor contracts for directly, a Hosted Location Fee will be collected by the merchant services processor used by the Franchised Business in connection with each customer transaction associated with the Franchised Business and disbursed to Franchisor.

8.8 Technology Services. Franchisor, at no cost to Franchisee, shall provide Franchisee with email accounts to be used for the Franchised Business only, as specified in the Operations Manual. If Franchisee purchases the right to utilize the SwimLabs Technology Package with a Dedicated Location, Franchisor may, in its sole discretion, help facilitate the purchase and installation of the electronic equipment which will be provided through an Affiliate, a designated supplier, or an approved supplier.

8.9 Notice of Pre-Opening Deficiency. If Franchisee believes Franchisor has failed to adequately provide pre-opening services to Franchisee as provided in this Agreement, Franchisee shall notify Franchisor in writing within 30 days following the opening of the Franchised Business. Absent the timely provision of such notice to Franchisor, Franchisee shall be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by Franchisor were sufficient and satisfactory in Franchisee's judgment.

8.10 No Warranties. Franchisor is not obligated to perform services set forth in this Agreement to Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge, and judgment. Franchisor does not represent or warrant that any other services will be provided to Franchisee, other than as set forth in this Agreement. To the extent any other services, or any specific level or quality of service is expected, Franchisee must obtain a commitment to provide such service or level of service in writing signed by an authorized officer of Franchisor, otherwise Franchisee acknowledges and agrees that Franchisor shall not be obligated to provide any other services or specific level or quality of services.

9. FRANCHISEE'S DUTIES, OBLIGATIONS AND OPERATING STANDARDS.

9.1 Best Efforts. Franchisee shall, consistent with the terms of this Agreement, diligently develop the Franchised Business and use its best efforts to market and promote the required Services and Products.

9.2 Swim Facility Development and Maintenance. If Franchisee is authorized to operate a Dedicated Location, Franchisee shall construct, develop, and maintain Franchisee's Swim Facility in accordance with the following requirements:

(a) Proposal of Site. Franchisee must submit proposals regarding the location of the Swim Facility to Franchisor within 90 days of the execution of this Agreement or Franchisor may elect to terminate this Agreement in Franchisor's sole discretion. Franchisee must deliver to Franchisor any traffic, competition, and demographic or similar location information relating to any proposed site that Franchisor reasonably requests for review, along with a copy of the proposed Lease, in a form acceptable to Franchisor. The Lease must incorporate the terms of the Lease Addendum attached to this Agreement as **Attachment F** (the "**Lease Addendum**"). Franchisor will have 30 days after Franchisor receives this information and materials to accept or reject the proposed site. If Franchisor does not accept or reject the proposed site within such 30 days, the site will be deemed rejected. If Franchisor accepts the proposed site, Franchisor's acceptance will remain in effect for a maximum of 60 days. Notwithstanding anything herein to the contrary, Franchisor may, in its sole discretion, extend the time periods set forth in this Section 9.2(a).

(b) Lease or Purchase of Site. After Franchisor has accepted a site, Franchisee must lease or purchase (through a separate legal entity, as set forth below) the required real property and improvements from any source upon terms approved by Franchisor in writing within 60 days after Franchisor has accepted such site. Franchisee acknowledges and agrees that Franchisee is not permitted by Franchisor to own the real property space in which the Franchised Business will be operated; provided, however, Franchisee may own such real property space via a separate legal entity created by Franchisee that enters into a commercially reasonable Lease and Lease Addendum with Franchisee. Franchisee further acknowledges and agrees that, in the event Franchisee chooses to form a separate entity to own such real property space, Franchisee is solely responsible for the initial and ongoing expenses associated with maintaining such entity and structure.

(c) Build-out. Franchisee must, at Franchisee's sole cost and expense, use an architect that Franchisor designates, unless Franchisee proposes a different architect and receives Franchisor's written approval of such architect, which it may withhold in its sole discretion. Franchisee must submit to Franchisor architectural drawings and specifications for the construction of the Franchised Business showing all leasehold improvements, interior designs, and elevations developed by the architect (collectively **"Plans"**). Franchisee must obtain Franchisor's written acceptance of all Plans prior to submitting such plans for permitting and prior to commencing construction. After Franchisor has accepted the final Plans, Franchisee may not modify the Plans without Franchisor's prior written consent. Franchisee shall, at Franchisee's sole cost and expense, complete the build-out of the Franchised Businesses in accordance with the Plans and install all equipment, furniture, fixtures, and security cameras as specified by Franchisor in the Operations Manual and this Agreement. Franchisee must provide Franchisor with periodic updates, including photographs, throughout the construction process at the times specified by Franchisor. Franchisor and its agents may inspect the construction at all reasonable times. After completion of construction, Franchisee must promptly obtain a certificate of occupancy and provide a copy of the certificate to Franchisor.

(d) Physical Facilities. Subject to the terms of this Section, Franchisee must at all times comply with Franchisor's standards, specifications, processes, procedures, requirements, and instructions regarding the Swim Facility's physical facilities, including the layout of the equipment, furnishings, fixtures, and activity, party and waiting rooms.

(e) Maintenance. Franchisee must keep the Franchised Business and everything related to the Franchised Business, including the Swim Facility and any parking areas, maintained in good condition and must be kept clean, neat, safe, and sanitary. All maintenance, repairs and replacements reasonably requested by Franchisor or required in connection with the Franchised Business must be promptly made.

(f) Alterations. No alterations of the Franchised Business materially affecting the image of the Franchised Business may be made except at Franchisor's request or approval, and any alterations must strictly conform to specifications and requirements established or approved by Franchisor.

(g) Remodel and Upgrades. Franchisee must remodel or upgrade the Swim Facility at is sole cost and expenses in accordance with Franchisor's then-current standards as set forth in the Operations Manual, which may be modified by Franchisor at any time in Franchisor's discretion.

9.3 Operation of Franchised Business. Subject to the terms of this Agreement, during the Term, Franchisee shall strictly comply with all present and future standards, specifications, processes, procedures, requirements, and instructions of Franchisor regarding the operation of the Franchised Business and must comply with the following requirements:

(a) Completion of Training. Prior to opening the Franchised Business, Franchisee or Franchisee's Designated Business Manager must attend and successfully complete all initial training programs to the satisfaction of Franchisor. Franchisee shall be responsible for travel, meals, personal expenses and living expenses incurred by itself or the Designated Business Manager, and any additional persons that participate in the initial training program.

(b) Mandatory Conferences. Franchisee or its Designated Business Manager must attend mandatory annual conferences at such locations as Franchisor may reasonably designate, and Franchisee will pay all salary and other expenses of each person attending, including any registration fees (as described in Section 8.5(d)), travel expenses, meals, living expenses and personal expenses.

(c) Specifications for Goods and Services. Only Goods and Services that meet Franchisor's standards and specifications (if any are specified) shall be used in the Franchised Business. Goods and Services produced or approved by Franchisor for use by Franchisee may be used only in the manner and during the period specified by Franchisor. Goods and Services must be added, eliminated, substituted, and modified at the Franchised Business as soon as possible in accordance with changes in Franchisor's specifications and requirements. The Goods and Services on hand at the Franchised Business must be at all times sufficient to efficiently meet the anticipated volume of business and to ensure the safety and security of Franchisee's patrons.

(d) Compliance with Applicable Laws. The Franchised Business and the Services and Products provided and sold by Franchisee must comply with all Applicable Laws including those applicable to consumer protection and the care, safety, and protection of children. It is Franchisee's sole and absolute obligation to research all Applicable Laws governing the operation of the Franchised Business and to ensure that such operation does not violate any Applicable Laws. For example, there are various federal laws that could affect the Franchised Business and that Franchisee must comply with such as the American with Disabilities Act, the CAN-SPAM Act, the Telephone Consumer Protection Act (the "**TCPA**"), the Telemarketing Sales Rule, other federal and state anti-solicitation laws regulating marketing phone calls, and federal and state laws that regulate data security and privacy (including the use, storage, transmission, and disposal of data regardless of media type). Franchisee should investigate these laws to understand its potential legal obligations.

(e) Permits and Licenses. Franchisee must obtain all business licenses and permits required by Applicable Laws before operating its Franchised Business. Franchisee shall apply for all required operating permits and licenses within 60 days after Franchisee signs the Lease for the Swim Facility. If Franchisee does not obtain all required permits and licenses and other certifications necessary to operate its Franchised Business within six months after Franchisee's execution of this Agreement, Franchisor may terminate this Agreement. Franchisor reserves the right to require Franchisee to provide Franchisor with copies of any such permits, licenses, and other certifications.

(f) Staffing. Franchisee shall maintain a competent, conscientious, and trained staff that is at all times sufficient to efficiently meet the anticipated volume of business and to ensure the safety and security of Franchisee's patrons. Franchisee shall take such steps as are necessary to ensure that its employees preserve good customer relations; render competent, prompt, courteous and knowledgeable service; provide and maintain an environment that emphasizes the care, safety and protection of children; present a clean and neat appearance and wear uniforms that comply with Franchisor's branding standards; and meet such minimum qualifications and brand standards as Franchisor may establish from time to time in the Operations Manual or otherwise in writing. Franchisee's training staff members shall at all times maintain such swimming and lifesaving certifications as required by Franchisor in the Operations Manual. Franchisee shall be solely responsible for all employment decisions and functions of the Franchised Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, record keeping, supervision and discipline of employees, regardless of whether Franchisee has received advice from Franchisor on these subjects.

(g) Background Checks. Franchisee agrees to allow Franchisor to conduct criminal background checks on all owners of the Franchised Business at least once every two years. Franchisee shall conduct, and any prospective employees of Franchisee must pass, a pre-hiring criminal background check and background checks at least every two years (unless Franchisor requires Franchisee to do so more frequently), which shall be administered by an approved supplier of such services. Franchisee acknowledges and agrees that Franchisee must pay for all background checks requested by Franchisee.

(h) Customer Service. Franchisee will use its best efforts to ensure customer satisfaction; use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors; respond to customer complaints in a courteous, prompt and professional manner; address customer inquiries or concerns regarding the care, safety and protection of any child who is a past or current student of the Franchised Business; use its best efforts to promptly and fairly resolve customer disputes in a mutually agreeable manner; and take such actions as Franchisor deems necessary or appropriate to resolve customer disputes.

(i) Minimum Operating Hours. Franchisee will operate the Franchised Business for at least the minimum number of days and hours set forth in the Operations Manual.

(j) Payment Methods and Processing. Franchisee shall, at Franchisor's request, accept debit cards, credit cards, stored value gift cards or other non-cash systems specified by Franchisor to enable customers to purchase the Products and Services offered by the Franchised Business. Franchisee shall acquire, at its expense, all necessary hardware and software used in connection with these non-cash systems. Franchisee shall enter into a payment processing agreement with a third-party designated by Franchisor, acknowledging that the fees to be paid by Franchisee in connection with such services will depend on the Gross Revenues generated by the Franchised Business.

(k) Data Privacy and Customer Data. Franchisee must:

(i) comply with the data protection, collection, maintenance and use requirements for Customer Data set out in the Operations Manual and this Agreement, including all policies, procedures and controls that Franchisor implements now or in the future;

(ii) comply with all Applicable Laws relating to the data protection, collection, maintenance and use of Customer Data, including, if applicable, the California Consumer Privacy Act (collectively, "**Privacy Laws**");

(iii) assist and otherwise cooperate with Franchisor to ensure Franchisor's and Franchisee's compliance with applicable Privacy Laws;

(iv) promptly notify Franchisor in writing of any Security Incident (defined below) that Franchisee becomes aware of or discovers. Franchisee will assist and otherwise cooperate with Franchisor to investigate any such Security Incident and will take all required steps, as determined by Franchisor, to remedy Franchisee's noncompliance with applicable Privacy Laws, this Agreement or the Operations Manual;

(v) promptly provide Franchisor with the ability to delete, access or copy Customer Data in Franchisee's possession or control;

(vi) promptly notify Franchisor of any request regarding Customer Data received by the Franchisee from a "consumer" as defined by applicable Privacy Laws;

(vii) adopt policies, procedures and controls, including those set out in the Operations Manual, if any, that enable Franchisee to respond, and to cause its agents and employees to respond, promptly to any rights request made pursuant to applicable Privacy Laws, including any disclosure request, deletion request or opt-out request;

(viii) adopt policies, procedures and controls, including those set out in the Operations Manual, if any, that limit access to Customer Data to only those employees that have a need-to-know basis based on specific job function or role. Franchisee will provide data privacy and security training to employees who have access to Customer Data or who operate or have access to system controls and will require employees to adhere to data confidentiality terms providing for the protection of Customer Data in accordance with this Agreement and the Operations Manual;

(ix) maintain Customer Data in confidence in accordance with this Agreement; and

(x) de-identify, delete or destroy Customer Data at Franchisor's instruction and provide Franchisor with written confirmation that such actions are completed within 10 days of Franchisor's instruction; and

(xi) never sell, disclose, release, transfer, make available, divulge or use the Customer Data, or derivatives thereof for Franchisee's benefit or for the benefit of a third-party, nor for any commercial purpose, other than to operate the Franchised Business. Notwithstanding anything to the contrary, Franchisee will not disclose, release, divulge or otherwise make Customer Data available to third parties except to the extent such access is strictly necessary to achieve a business purpose for the benefit of the Franchised Business and only if such third-party recipient is contractually bound to comply with data protection provisions no less restrictive than those set out in this Agreement and the Operations Manual, including an agreement to comply with applicable Privacy Laws.

(l) Payment of Debts and Taxes. All debts and taxes arising in connection with the Franchised Business, except those duly contested in a bona fide dispute, must be paid when due. In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with the procedures of the taxing authority or Applicable Laws; however, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the Swim Facility, or any improvements thereon.

(m) Advertising. Franchisee shall comply with the advertising requirements set out in Section 12. Franchisee may not market or advertise in violation of federal laws regulating advertising, such as the CAN-SPAM Act and the TCPA, and state advertising laws applicable to the Franchised Business. Franchisee must not use any materials that are false or misleading. Franchisee must ensure that all advertising, labeling, packaging and other materials associated with the Services and Products fully conforms to all Applicable Laws.

(n) Safety Inspections. Franchisee will have the Swim Facility inspected for safety compliance ("**Safety Inspection**") no less than on an annual basis. Franchisee may apply to Franchisor for a waiver of the Safety Inspection if Franchisee's insurance company requires use of its own designated safety inspector, and Franchisee's Swim Facility is inspected by such inspector on at least an annual basis. Franchisor reserves the right to waive the Safety Inspection if Franchisee operates Franchisee's Swim Facility in a state which requires state-sponsored safety inspections of the Swim Facility on at least an annual basis, provided such state-sponsored inspection satisfies the minimum safety requirements imposed by Franchisor and Franchisee's insurance company.

(o) Quality Control. Franchisee will control the quality of the Services and Products to avoid quality problems or product liability claims that could reflect adversely on Franchisee or Franchisor in the minds of consumers.

9.4 Products and Services Offered. No service or product, except approved Services or Products, may be offered for sale from the Swim Facility or in the Territory, unless Franchisee receives the prior written consent of Franchisor (which may be granted or denied in Franchisor's sole discretion). Franchisee must offer all Products and Services that Franchisor designates as mandatory. Any additional required Service or Product introduced into the System by Franchisor must be offered for sale on a continuing basis at the Franchised Business at the time and in the manner required by Franchisor, as specified in the Operations Manual or otherwise in writing from time to time. Franchisor will provide at least 30 days prior written notice of any new required Service or Product introduced into the System. All equipment, facilities, vehicles, products, supplies, tools, and other items necessary to offer the newly-required Services or Products must be acquired, installed, and utilized at the time and in the manner required by Franchisor. The marketing of new Services and Products must begin at the Franchised Business as reasonably required by Franchisor.

9.5 Pricing. Franchisor will provide guidance to Franchisee, as required in Franchisor's sole discretion, in determining the prices to be charged by Franchisee for Services or Products. Franchisor shall not have control over the day-to-day managerial operations of the Franchised Business, and Franchisee shall be free to establish its own prices; provided, however, Franchisor shall have the right, to the extent permitted by Applicable Laws, to set minimum and/or maximum resale prices as part of any national or regional promotion or multi-area marketing plan.

9.6 Inspections. Franchisor and Franchisor's representatives will have the right during business hours to inspect the Franchised Business and all other facilities used for providing and selling Services and Products. Franchisor and Franchisor's representatives will have the right to observe the manner in which Franchisee is rendering its Services, conducting its operations of the

Franchised Business, and using the Marks and Copyrighted Materials. Franchisor and Franchisor's representatives will have the right to discuss with Franchisee, or other personnel Franchisee may designate, all matters that may pertain to compliance with this Agreement and with Franchisor's standards, specifications, requirements, instructions and procedures and Franchisor may film or take photographs of Franchisee's safety training, maintenance procedures and techniques as it relates to the Franchised Business. Upon Franchisor's request, Franchisee shall require any of the Services to be rendered by any employee at the Franchised Business. Franchisee shall in all respects cooperate with Franchisor's rights under this Section 9; provided that Franchisor's exercise of these rights shall not unreasonably interfere with Franchisee's conduct of the Franchised Business.

9.7 Independent Obligations. Franchisor may require Franchisee's compliance with the provisions of this Section 9 even if it does not require such compliance by all franchisees.

9.8 Management and Designated Business Manager. If Franchisee is an individual, Franchisee must directly supervise the Franchised Business. If Franchisee is a corporation or other business entity, or if Franchisee has, in Franchisor's sole judgment, insufficient experience in a business similar to the franchise or experience in business management in general, then Franchisee shall nominate a Designated Business Manager having the required experience who shall have direct responsibility for all operations of the Franchised Business and who shall own not less than 10% of the corporate or business entity. Any change in the Designated Business Manager will be subject to Franchisor's approval, in Franchisor's sole discretion. If the Designated Business Manager is no longer employed by or associated with Franchisee or is otherwise removed, Franchisee must designate a new Designated Business Manager who must successfully complete Franchisor's initial training program within 90 days after the departure of the initial Designated Business Manager, unless Franchisor does not hold an initial training program during that 90-day period, in which case the replacement Designated Business Manager must attend and successfully complete the first available initial training program held by Franchisor. Franchisor reserves the right to charge Franchisee a fee for any replacement Designated Business Manager that attends the initial training program, which will not exceed $2,500 per trainee per program.

9.9 Associations and Benefit Programs. Franchisee shall become a member of such trade associations or other organizations which, in the reasonable opinion of Franchisor, are useful in the operation of the Franchised Business. Franchisee shall have the option to become a member of all benefit programs which are offered from time to time by Franchisor to all of its franchisees. The costs of participating in such trade associations organizations and benefit programs shall be borne by Franchisee and its employees (if applicable to the employees). Nothing in this Section 9.9 limits Franchisee's freedom to join any franchise or franchisees association of its choosing.

9.10 Technology. Franchisee shall acquire, maintain and upgrade hardware, software, information processing and communication systems, and Internet and other network access providers, as prescribed in the Operations Manual and as modified periodically by Franchisor in Franchisor's sole discretion. Franchisee shall pay all required fees and comply with any separate software or other license agreements that Franchisor or its designee use in connection with the System. Franchisee shall utilize Franchisor's required software, proprietary database management and intranet system, when available, as the exclusive means for tracking and maintaining customer, vendor and related information, and for such other uses as prescribed by Franchisor periodically in the Operations Manual, in Franchisor's sole discretion. Monthly sales reporting may occur through mandatory software including the automatic draft via EFT of fees.

(a) Protection of Computer Systems. Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, Lessors, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems and use of backup systems.

(b) School Operating and Management Software. Franchisee must obtain and use in the operation of the Franchised Business the third-party, cloud-based software that Franchisor designates ("**School Operating and Management Software**"), which will assist the Franchised Business in registration, customer service, payment processing, and other related services. Currently, the Technology Fee covers the cost of such software (including, but not limited to, third-party software licensing fees and technical and administrative support provided by Franchisor or a designee of Franchisor), but Franchisee may be required to pay separate license or subscription fees for the software or support in the future. Franchisee acknowledges and agrees that Franchisor makes no warranty, express or implied, with respect to the School Operating and Management Software and, accordingly, that neither Franchisor nor its Affiliates will be responsible for any consequential, incidental, indirect or special damages, including lost profits, business interruption, or other incidental, punitive, or economic damages whatsoever arising out of Franchisee's use of the School Operating and Management Software.

(c) Email Accounts. Franchisee shall at all times utilize and maintain the SafeSplash email accounts provided by Franchisor for all electronic communications for the Franchised Business and shall check the account at least once each day.

9.11 Opening.

(a) Requirements to Open. Franchisee may not open its Franchised Business until: (1) Franchisor notifies Franchisee in writing that all of Franchisee's obligations have been fulfilled; (2) the Initial Training Program has been completed by Franchisee or its Designated Business Manager to Franchisor's satisfaction; (3) all amounts due to Franchisor have been paid; (4) Franchisor has been furnished with copies of all insurance policies and certificates required by Section 13, or other documentation of insurance coverage and payment of premiums that Franchisor may request, in Franchisor's discretion; (5) Franchisee notifies Franchisor that all approvals and conditions set forth in this Agreement have been met; (6) Franchisee has obtained all necessary permits and licenses; (7) Franchisee has provided Franchisor with a fully executed copy of the Lease for Franchisee's Swim Facility and (8) Franchisee has ordered, received and installed all Goods and Services required by Franchisor. Franchisee shall begin operating the Franchised Business within two business days after Franchisor determines that the Franchised Business is ready for opening.

(b) Opening Deadline. Subject to the terms of this Agreement, Franchisee shall open the Swim Facility for business on or before the required opening date set forth on **Attachment A** ("**Required Opening Date**"), which date shall be no more than 18 months from the Effective Date of this Agreement if it is a Dedicated Location and no more than six months from the Effective Date of this Agreement if it is a Hosted Location, unless Franchisee obtains Franchisor's express written permission to extend the Required Opening Date, which permission may be granted or denied in Franchisor's sole discretion and may be conditioned on Franchisee and its owners executing a general release and paying an extension fee equal to 10% of the then-current Initial Franchise Fee for a new, non-conversion Dedicated Location or Hosted Location (whichever format is applicable for the Swim Facility).

10. PURCHASE OF GOODS AND SERVICES

10.1 Purchases. Franchisor may, in its sole discretion, require that Goods and Services that Franchisee purchases for resale or purchases or leases for use in its Franchised Business: (i) meet specifications that Franchisor establishes from time to time; (ii) be a specific brand, kind, or model; (iii) be purchased or leased only from suppliers or service providers that Franchisor has expressly approved; and/or (iv) be purchased or leased only from a single source that Franchisor designates (which may include Franchisor or its Affiliates or a buying cooperative organized by it or its Affiliates). To the extent that Franchisor establishes specifications, requires approval of suppliers or service providers, or designates specific suppliers or service providers for particular items or services, Franchisor will publish such requirements in the Operations Manual. Franchisor has the right to require Franchisee to discontinue purchasing any Goods and Services from a designated or approved supplier, manufacturer or distributor and may designate or approve new suppliers, manufacturers or distributors at any time in Franchisor's sole discretion.

10.2 Revenue from Purchases. Franchisee acknowledges and agrees that Franchisor may receive from designated or approved suppliers of Goods and Services periodic volume rebates or other revenue or consideration as a result of Franchisee's purchases. Franchisor and its Affiliates may also receive revenue from the direct sale of Goods and Services to Franchisee. Franchisee acknowledges and agrees that Franchisor shall be entitled to keep for its own use and account such rebates and revenue.

10.3 Requests for Approval. Franchisee may request that Franchisor approve or designate a new supplier or new Goods and Services by following the procedures, and paying all required fees and expenses for approval, as set forth in the Operations Manual and modified periodically by Franchisor in Franchisor's discretion. Franchisor will not unreasonably withhold the approval of a supplier or Goods and Services; however, in order to make such determination, Franchisor may require that samples from a proposed new supplier or of a proposed item be delivered to Franchisor for testing and approval prior to use. Franchisor reserves the right to require that Franchisee pay or reimburse Franchisor for the reasonable cost of investigation in determining whether such Goods and Services satisfy Franchisor's specifications.

11. MARKS, COPYRIGHTED WORKS AND OWNERSHIP OF IMPROVEMENTS.

11.1 Marks and Copyrighted Materials. Franchisee acknowledges and agrees that:

(a) Ownership of Marks. Franchisor is the owner or exclusive licensee of all right, title and interest, together with all the goodwill of the Marks. Franchisee further acknowledges that the Marks designate the origin or sponsorship of the System, the Franchised Business, and the Products and Services and that Franchisor desires to protect the goodwill of the Marks and to preserve and enhance the value of the Marks. All usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks shall inure to the exclusive benefit of Franchisor. This Agreement does not confer any goodwill or other interests in the Marks to Franchisee upon expiration or termination of the Agreement. In the event that Franchisee acquires any rights, title or interest in the Marks, Franchisee agrees to assign and hereby assigns all such rights, title or interest to Franchisor.

(b) Ownership of Copyrighted Materials. All right, title and interest in and to all materials, including but not limited to, all artwork and designs, created by Franchisor, and used with the Marks or in association with the Franchised Business ("**Copyrighted Materials**") are the property of Franchisor. Additionally, all Copyrighted Materials created by Franchisee or any other person or entity retained or employed by Franchisee are works made for hire within the meaning of the United States Copyright Act and are the property of Franchisor, who shall be entitled to use and license others to use the Copyrighted Materials unencumbered by moral rights. To the extent the Copyrighted Materials are not works made for hire or rights in the Copyrighted Materials do not automatically accrue to Franchisor, Franchisee irrevocably assigns and agrees to assign to Franchisor, its successors and assigns, the entire right, title and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Copyrighted Materials, which Franchisee and the author of such Copyrighted Materials warrant and represent as being created by and wholly original with the author. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Copyrighted Materials from another person or entity necessary to ensure Franchisor's right in the Copyrighted Materials as required in this Section 11.1(b).

(c) No Disputes or Challenges. Franchisee will never dispute, contest or challenge, directly or indirectly, the validity or enforceability of the Marks or Copyrighted Materials or Franchisor's ownership of the Marks or Copyrighted Materials, nor counsel, procure, or assist anyone else to do the same, nor will it take any action that is inconsistent with Franchisor's ownership of the Marks or Copyrighted Materials, nor will it represent that it has any right, title or interest in the Marks or Copyrighted Materials other than those expressly granted by this Agreement.

(d) Registration. Franchisor or its licensor may decide, in its sole and absolute discretion, to apply to register or to register any trademarks or copyrights with respect to the Services, Products and any other products and services and the Copyrighted Materials.

Failure of Franchisor or its licensor to obtain or maintain in effect any such application or registration is not a breach of this Agreement. Franchisee will not, before or after termination or expiration of the Agreement, register or apply to register any of the Marks or any trademark, service mark or logo confusingly similar thereto or any Copyrighted Materials, anywhere in the world.

(e) Cooperation. Upon Franchisor's request, Franchisee will cooperate fully, both before and after termination or expiration of this Agreement and at Franchisor's expense, in confirming, perfecting, preserving and enforcing Franchisor's or its licensor's rights in the Marks and Copyrighted Materials, including but not limited to, executing and delivering to Franchisor such documents as Franchisor reasonably requests for any such purpose, including but not limited to, assignments, powers of attorney and copies of commercial documents showing sale and advertising of the Services and Products and other products and services. Franchisee hereby irrevocably appoints Franchisor as its attorney-in-fact for the purpose of executing such documents.

(f) No Warranty. **FRANCHISOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS OR COPYRIGHTED MATERIALS.**

11.2 Use of Marks and Copyrighted Materials. Franchisee acknowledges and agrees that:

(a) Use. Franchisee's right to use the Marks and Copyrighted Materials are derived solely from this Agreement. Franchisee's limited license extends only to the use of the Marks and Copyrighted Materials in its operation of the Franchised Business and only in accordance with (i) all applicable standards, operating procedures, policies and guidelines that Franchisor prescribes—and from time to time amends—during the Term, including those set forth in the most current edition of the Operations Manual and other publications, if any, dedicated to proper use of the Marks; and (ii) all Applicable Laws pertaining to advertising and marketing, including federal and state laws pertaining to telemarketing (including the TCPA), false advertising, unfair competition, and unfair practices. Franchisee will use the Marks and Copyrighted Materials only in lettering, logos, print styles, forms and formats, including but not limited to, advertising and promotional materials, invoices, signage, business checks, business cards, stationery, and promotional items such as clothing, hats, pens, mugs, etc., which have been approved by Franchisor in accordance with this Agreement, and promptly follow instructions regarding the Marks and Copyrighted Materials as provided in the Operations Manual and otherwise given by Franchisor from time to time. Franchisee will make every effort consistent to protect, maintain and promote the Marks as identifying the System and only the System.

(b) Unauthorized Use. Any unauthorized use of the Marks or Copyrighted Materials by Franchisee constitutes a breach of this Agreement and an infringement of the rights of Franchisor and in and to the Marks and Copyrighted Materials.

(c) Restrictions on Use. Franchisee may not use any Marks (i) as part of any corporate or legal business name, (ii) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to Franchisee by Franchisor), (iii) in selling any unauthorized services or products, (iv) as part of any domain name, electronic address, metatag, social media account, or otherwise in connection with any website or other electronic medium without Franchisor's consent, or (v) in any other manner Franchisor has not expressly authorized in writing. Franchisee shall obtain such fictitious or assumed name registrations as may be required by Franchisor or under Applicable Laws.

(d) Protection of IP. Franchisee will safeguard and maintain the reputation and prestige of the Marks and Copyrighted Materials and will not do anything that would tarnish the image of or adversely affect the value, reputation or goodwill associated with the Marks. Franchisee will not do anything that would dilute, directly or indirectly, the value of the goodwill attached to the Marks, nor counsel, procure or assist anyone else to do the same.

(e) Notices. Franchisee will use the following copyright notice at least once on each piece of advertising, promotional or other material used in connection with the Products and Services: "© (year of first publication). SafeSplash Brands, LLC d/b/a Streamline Brands. All Rights Reserved." Franchisee will use the Marks with a superscript "®" or "™", as specified by Franchisor, unless and until advised by Franchisor to use a different notice.

11.3 Changes and Actions. Franchisee acknowledges and agrees that:

(a) Modifications to Marks or Copyrighted Materials. If, in Franchisor's reasonable determination, the use of the Marks or Copyrighted Materials in connection with the Services, Products, other products and services or the Franchised Business will infringe or potentially infringe upon the rights of any third-party, weakens or impairs Franchisor's rights in the Marks or Copyrighted Materials, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify or discontinue use of the Marks or Copyrighted Materials then upon notice from Franchisor, Franchisee will immediately, at Franchisee's expense, terminate or modify such use in the manner prescribed by Franchisor. Franchisor may require Franchisee to use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols or copyrighted materials. Franchisor shall have no liability or obligation whatsoever to Franchisee or any other party with respect to any modification or discontinuance of any of the Marks or Copyrighted Materials. Franchisee will have no rights to damages, offsets, reimbursements, or termination as a result of, and Franchisor will have no liability or obligation whatsoever to Franchisee or any other party with respect to, any modification or discontinuance of any of the Marks or Copyrighted Materials.

(b) Third-Party Challenges. Franchisee shall notify Franchisor within three days after receiving notice of any claim, demand or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof or the Copyrighted Materials. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks or Copyrighted Materials, Franchisor shall have the sole right, but not the duty, to defend any such action. Franchisor shall have the exclusive right to contest or bring action against any third-party regarding the third-party's use of any of the Marks or Copyrighted Materials and shall exercise such right in the sole discretion of Franchisor. Franchisor shall control all actions but not be obligated to take any action. In any defense or prosecution of any litigation relating to the Marks, Copyrighted Materials or components of the System undertaken by Franchisor, Franchisee shall cooperate with Franchisor, execute any and all documents, and take all actions as may be desirable or necessary in the opinion of Franchisor's counsel, to carry out such defense or prosecution. At Franchisor's option, Franchisee will join in any action, in which case Franchisor shall bear all the out-of-pocket costs of Franchisee for such participation. If Franchisee joins in an action, then the recovery, if any, from such legal action shall be first applied to the total expenses associated therewith and then split equally between Franchisor and Franchisee.

11.4 Future Marks and Copyrighted Materials. All provisions of this Agreement applicable to the Marks and Copyrighted Materials apply to any and all additional trademarks, service marks, commercial symbols and copyrighted materials authorized for use by and licensed to Franchisee by Franchisor after the date of this Agreement.

11.5 Improvements. If, during the Term, Franchisee or its owners, employees, or contractors conceives or develops any improvements or additions to the System, Copyrighted Materials, website or any other documents or information pertaining to or relating to the System or the Franchised Business, or any new trade names, trade and service marks, logos or commercial symbols related to the Franchised Business, or any advertising and promotional ideas or inventions related to the Franchised Business (collectively, the "**Improvements**"), Franchisee shall fully disclose the Improvements to Franchisor, without disclosure of the Improvements to others, and shall obtain Franchisor's written approval prior to using such Improvements. Any such Improvement may be used by Franchisor and all other franchisees without any obligation to Franchisee for any fees. Franchisee shall assign, and does hereby assign, to Franchisor, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement and shall sign (and shall cause its owners, employees, and contractors to sign) whatever assignment or other documents that Franchisor requests to evidence Franchisor's ownership of such Improvements. Franchisor, at its discretion, may make application for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement, and Franchisee shall cooperate with Franchisor in securing such rights. Franchisor may also consider such Improvements as the property and Trade Secrets of Franchisor. In return, Franchisor shall authorize Franchisee to continue to utilize such Improvements in its Franchised Business.

12. ADVERTISING AND PROMOTION

12.1 Start-Up Advertising. Franchisee acknowledges that local advertising is required to advise the public of the Franchised Business. Within the time frame from 90 days before the Swim Facility opens to 30 days after the Swim Facility opens ("**Start-Up Advertising and Promotions Period**"), Franchisee must spend a total of $5,000 for a Hosted Location and $25,000 for a Dedicated Location on promotional advertising, marketing and public relations efforts within the Territory (collectively, the "**Start-Up Advertising and Promotions Requirement**").

12.2 Local Advertising.

(a) Local Advertising Expense. Upon the expiration of the Start-Up Advertising and Promotions Period and during the remaining Term, Franchisee shall spend a minimum of 2% of its projected Gross Revenues in the current year ("**Local Advertising Expense**") for advertising and promotion within the Territory. Franchisor shall, after consultation with Franchisee, set the projected Gross Revenues for each year based on past performance and Franchisee's business plan. Franchisee must maintain a detailed summary of all such Local Advertising Expenses and, upon request from Franchisor, will be required to provide such summary to Franchisor. Franchisee will receive dollar-for-dollar credit against this obligation for all contributions that Franchisee makes to a Local Advertising Cooperative in accordance with Section 12.6. Expenditures that Franchisee incurs for any of the following shall not qualify as local advertising for purposes of this Section 12.2, unless approved in advance by Franchisor: (a) salaries, expenses or benefits of any employees of Franchisee, including expense for attendance at advertising meetings or activities; (b) in-store materials consisting of furniture or equipment; or (c) seminar and educational costs and expenses of Franchisee's employees. During the Term, Franchisee shall furnish Franchisor an accounting of Franchisee's previous quarter's expenditures for advertising and promotion on a form approved by Franchisor within 30 days after the last day of each quarter.

(b) Scope of Advertising. Franchisee may advertise outside its Territory in accordance with any guidelines or restrictions that Franchisor specifies in the Operations Manual.

12.3 Advertising Materials. Franchisor will make available to Franchisee all advertising and promotion materials for the Franchised Business which are used by Franchisor and other franchisees. Franchisee may not develop advertising materials for use in the Franchised Business without Franchisor's approval. If Franchisor approves the advertising materials prepared by Franchisee in writing, Franchisor may make available to other franchisees such advertising and promotion materials. Franchisee must pay duplication costs of any advertising or promotion material provided by Franchisor.

12.4 Strategic Marketing and Promotions Fund. Franchisor, in its sole discretion, will maintain a Strategic Marketing and Promotions fund ("**Strategic Marketing and Promotions Fund**"). The Strategic Marketing and Promotions Fee, as set forth in Section 6.3, is in addition to Franchisee's Local Advertising Expense obligations set forth in Section 12.2.

(a) Use of the Fund. Franchisor may use monies in the Strategic Marketing and Promotions Fund for any costs associated with administering, preparing, and conducting national, local, or regional advertising (media and production), branding, marketing, public relations and/or promotional programs and materials, and any other activities Franchisor believes would benefit the SafeSplash Swim School® brand or SafeSplash Businesses generally, including, among others, (i) developing and conducting advertising campaigns in various media; (ii) creating, maintaining, and optimizing websites, apps, and other digital commerce channels or devices designed to attract, retain, serve, and/or otherwise engage customers; (iii) developing and implementing keyword or adword purchasing programs; (iv) conducting and managing social media activities; (v) conducting direct mail advertising; (vi) developing and implementing market research and quality assurance programs, including secret shoppers programs, customer satisfaction surveys, and branding studies; (vii) employing advertising, social media marketing, and/or public relations agencies; (viii) developing or purchasing promotional items; (ix) conducting and administering promotions, contests, giveaways, public relations events, and community involvement activities; (x) organizing, funding, or operating a charitable foundation or other charitable entities or activities; (xi) attending trade shows; (xii) conducting franchisee incentive programs; (xiii) producing point-of-sale materials and programs; (xiv) developing and implementing in-facility equipment and technologies related to such marketing programs; and (xv) providing promotional and other marketing materials and services to franchisees.

(b) Overhead and Administrative Costs. Franchisor may also use any monies in the Strategic Marketing and Promotions Fund to defray the reasonable administrative costs and overhead Franchisor incurs in activities reasonably related to the administration of the Strategic Marketing and Promotions Fund or the management of programs supported by the Strategic Marketing and Promotions Fund (including (i) the pro-rata amount of salaries of Franchisor's personnel who devote time to the Strategic Marketing and Promotions Fund activities, (ii) retainers and fees for outside agencies, (iii) costs associated with conducting meetings with franchisee advisory councils, (iv) costs related to conducting an independent audit of the fund, (v) reasonable accounting, bookkeeping, reporting and legal expenses, and (vi) any related taxes).

(c) Restrictions on Use of the Fund. Franchisor will not use the Strategic Marketing and Promotions Fund for anything whose sole purpose is the marketing of franchises, however, Franchisee acknowledges that Franchisor's website, public relations activities, community involvement activities, and other activities supported by the Strategic Marketing and Promotions Fund may contain information about franchising opportunities.

(d) Direction of Advertising and Programs. Franchisor will have sole authority to direct all advertising programs and promotions and uses of the Strategic Marketing and Promotions Fund, with sole control over the creative concepts, materials, and media used in the programs, and the placement and allocation of advertising. Franchisor reserves the right to use any media, create any programs, and allocate advertising and promotional expenditures to any regions or locales Franchisor deems appropriate. Franchisee acknowledges that the Strategic Marketing and Promotions Fund is intended to maximize the general brand recognition of the System and to promote the System, Services and Products. Franchisor is not obligated to expend Strategic Marketing and Promotions Funds on Franchisee's behalf or benefit or expend Strategic Marketing and Promotions Funds equivalent or proportionate to Franchisee's Strategic Marketing and Promotions Fees on Franchisee's behalf or benefit.

(e) Administration of the Fund. Franchisor's accounting and marketing personnel or a representative designated by Franchisor will administer the Strategic Marketing and Promotions Fund. The Strategic Marketing and Promotions Fund will collect Strategic Marketing and Promotions Fees from all franchisees and Franchisor's

Affiliate-owned stores. Although the Strategic Marketing and Promotions Fund will not be maintained by Franchisor in a separate bank account, Franchisor will track and account for the collected Strategic Marketing and Promotions Fees separately from Franchisor's general funds. An annual unaudited financial statement of the Strategic Marketing and Promotions Fund, at the expense of the Strategic Marketing and Promotions Fund, will be available 120 days after Franchisor's fiscal year end to Franchisee for review once a year upon request.

(f) Termination of the Fund. The Strategic Marketing and Promotions Fees collected by the Strategic Marketing and Promotions Fund are non-refundable. The Strategic Marketing and Promotions Fund may be terminated at any time by Franchisor, in its sole discretion. In the event that the Strategic Marketing and Promotions Fund is terminated, any remaining balance in the Strategic Marketing and Promotions Fund will be expended as provided for in this Section 12.4 or returned to Franchisee on a pro-rata basis.

(g) No Liability. Franchisor (and any designee of Franchisor) will have no direct or indirect liability or obligation to Franchisee or the Strategic Marketing and Promotions Fund or otherwise with respect to the management, maintenance, direction, administration or otherwise of the Strategic Marketing and Promotions Fund. Franchisee and Franchisor agree that their rights and obligations with respect to the Strategic Marketing and Promotions Fund and all related matters are governed solely by this Agreement and neither this Agreement or the Strategic Marketing and Promotions Fund creates a trust, fiduciary relationship or similar arrangement.

12.5 Promotional and Marketing Campaigns. Franchisee shall fully participate in all such promotional campaigns, prize contests, special offers and other programs, national, regional or local in nature (including the introduction of new Services, Products, new franchises or other marketing programs directed or approved by Franchisor), which are prescribed from time to time by Franchisor. Franchisee shall be responsible for the costs of such participation. In addition, Franchisee shall honor any coupons, gift certificates or other authorized promotional offers of Franchisor at Franchisee's sole cost unless otherwise specified in writing by Franchisor. Franchisee will maintain an adequate supply of marketing brochures, pamphlets and promotional materials as may be required by Franchisor from time to time. The cost for such participation in such campaigns will be applied to Franchisee's Local Advertising Expense obligations set forth in Section 12.2.

12.6 Cooperatives. At the time the Designated Marketing Area ("**DMA**") in which the Swim Facility is located encompasses Swim Facilities operated by at least two other franchisees or Swim Facility operators (including Franchisor's parent or Affiliates), the owners in the DMA will, at Franchisor's request and with Franchisor's advice and assistance, form a cooperative advertising association among themselves ("**Local Advertising Cooperative**" or "**Cooperative**") for the purpose of jointly advertising and promoting their Swim Facilities. Franchisor shall have control of all Cooperative funds and expenditures of such funds shall require Franchisor's advanced approval.

(a) Cooperative Decisions and Contributions. If, in connection with a Cooperative's formation or functioning, its members are unable to reach agreement with respect to any disagreement over organization, administration, "spill" policy, contribution waivers or exceptions, budget or other matters that the members cannot resolve within 45 days, the issue will be referred to Franchisor for resolution. Franchisor's decision with respect to the issue's resolution will be binding on all members of the Cooperative. In addition, Franchisor reserves the right to review each Cooperative's contribution rate on an annual basis and to disapprove a rate of less than 1% of Gross Revenues. Franchisee's contributions to a Cooperative will be credited to Franchisee's Local Advertising Expense requirements set out in Section 12.2 up to a maximum of 2%.

(b) Required Participation. Franchisee agrees (i) to join, participate in, and actively support any Cooperative established in the Swim Facility's DMA and (ii) to make contributions to each Cooperative on the payment schedule adopted by the Cooperative's members and at the contribution rate Franchisor approves.

(c) Reimbursement of Expenses. Franchisor reserves the right to be reimbursed from the Cooperative for reasonable administrative costs, salaries and overhead as Franchisor may incur in activities related to the implementation and administration of the Cooperative and related marketing programs.

(d) Changes to Cooperative. Franchisor shall have the sole right, in its discretion, to form, change, dissolve or merge any Cooperative.

12.7 Digital Marketing. Franchisor or its Affiliates may, in Franchisor's sole discretion, establish and operate websites, social media accounts (such as Facebook, X, Instagram, YouTube, TikTok, etc.), applications, keyword or adword purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc.), mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, **"Digital Marketing"**) that are intended to promote the Marks and SafeSplash Businesses. Franchisor will have the sole right to control all aspects of any Digital Marketing, including those related to the Franchised Business. Unless Franchisor consents otherwise in writing, Franchisee and its employees may not, directly or indirectly, conduct or be involved in any Digital Marketing that uses the Marks or that relates to the Franchised Business or the network. If Franchisor permits Franchisee or its employees to conduct any Digital Marketing, Franchisee and its employees must comply with any policies, standards, guidelines, or content requirements that Franchisor establishes periodically and must immediately modify or delete any Digital Marketing that Franchisor determines, in its sole discretion, is not compliant with such policies, standards, guidelines, or requirements. If Franchisor permits Franchisee or its employees to conduct any Digital Marketing, Franchisor will have the right to retain full control over all websites, social media accounts, mobile applications, or other means of digital advertising that Franchisor has permitted Franchisee to use. Franchisor may withdraw its approval for any Digital Marketing or suspend or terminate Franchisee's use of any Digital Marketing platforms at any time.

12.8 Website. Franchisor will establish and maintain an Internet website that provides information about the System and the Products and Services that Swim Facilities offer. Franchisor will have sole discretion and control over the website's design and contents. The website will include a section that provides the address, telephone number and e-mail address of each Swim

Facility in the SafeSplash chain, including Franchisee's Swim Facility. Franchisor intends that any Franchisee website be accessed only through Franchisor's home page. Franchisee will provide Franchisor with content for Franchisor's Internet marketing, and will sign Internet and intranet usage agreements, if any. Franchisor retains the right to approve any linking or other use of its website.

13. INSURANCE AND INDEMNITY

13.1 Insurance. Franchisee shall, upon commencement of the Term, comply with the following:

(a) Required Policies. Franchisee must purchase insurance policies, in such amounts and on such terms, as prescribed by the Operations Manual, issued by an insurance company acceptable to Franchisor at all times during the Term of this Agreement and any Successor Terms. Insurance coverage must include, but is not limited to, comprehensive general liability, combined single limit, automobile, bodily injury and all-risk property damage insurance and all other occurrences against claims of any person, employee, customer, agent or otherwise in an amount per occurrence of not less than such amount set forth in the Operations Manual and adjusted by Franchisor periodically in Franchisor's sole discretion, unemployment and workers compensation insurance and any other additional insurance required by the terms of any Lease or lender for the Franchised Business. Insurance policies must insure Franchisee, Franchisor, Franchisor's Affiliates and Franchisor's and Franchisor's Affiliates' respective officers, directors, shareholders, managers, members and all other parties designated by Franchisor, as additional named insureds against any liability which may accrue against them because of the ownership, maintenance or operation by Franchisee of the Franchised Business. The policies must also stipulate that Franchisor shall receive a 30-day prior written notice of cancellation and must contain endorsements by the insurance companies waiving all rights of subrogation against Franchisor. Franchisee shall also procure and pay for all other insurance required by Applicable Laws. Franchisor reserves the right to modify minimum insurance requirements or the types of coverage required at any time in its sole discretion by updating the Operations Manual.

(b) Proof of Insurance. Original or duplicate copies of all insurance policies, certificates of insurance or other proof of insurance (collectively, "**Certificates of Insurance**") acceptable to Franchisor, including original endorsements effecting the coverage required by this Section, shall be furnished to Franchisor together with proof of payment within 10 days of issuance thereof. Franchisee shall also furnish Franchisor with certificates and endorsements evidencing such insurance coverage within 10 days after each of the following events: (i) at all policy renewal periods, no less often than annually and (ii) at all instances of any change to, addition to, or replacement of any insurance. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are subject to approval by Franchisor. Franchisor reserves the right to require complete, certified copies of all required insurance policies at any time in Franchisor's sole discretion.

(c) Failure to Obtain Insurance. In the event Franchisee fails to obtain the required insurance and to keep the same in full force and effect, Franchisor may, but shall not be obligated to, purchase insurance on Franchisee's behalf from an insurance carrier of Franchisor's choice, and Franchisee shall reimburse Franchisor for the full cost of such insurance, along with a reasonable service charge to compensate Franchisor for the time and effort expended to secure such insurance, within five days of the date Franchisor delivers an invoice detailing such costs and expenses to Franchisee. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement or exercise any or a combination of the other default remedies set forth in Section 18 of this Agreement.

(d) Right to Recover. All public liability and property damage policies shall contain a provision that Franchisor, although named as an additional insured, shall nevertheless be entitled to recover under such policies on any loss occasioned to Franchisor or its shareholders, members, directors, managers, employees or agents.

(e) Defense Against Claims. All liability insurance policies procured and maintained by Franchisee in connection with the Franchised Business will require the insurance company to provide and pay for attorneys to defend any legal actions, lawsuits or claims brought against Franchisee, Franchisor, Franchisor's Affiliates and their respective officers, directors, managers, members, agents, employees and all other entities or individuals designated by Franchisor as additional insureds.

13.2 Indemnification. Franchisee shall, during the Term and after the termination or expiration of this Agreement, indemnify, defend, and hold harmless Franchisor, its Affiliates, and its and their respective officers, directors, managers, members and employees (collectively, the "**Indemnified Parties**") against, and reimburse them for, all claims, demands, losses, damages (including punitive damages), costs, suits, judgments, penalties, expenses (including reasonable attorneys' fees, amounts paid in settlement or compromise, investigation costs, witness fees, arbitration or mediation expenses, and travel and living expenses) and liabilities of any kind, whether or not ultimately determined to be meritorious and regardless of whether litigation, arbitration, or alternative dispute resolution is commenced (and including damages suffered by Franchisee or any of its property) (collectively, "**Damages**") that directly or indirectly arise out of or relate to:

(a) a breach by Franchisee, its owners, or its Affiliates of (i) this Agreement, (ii) any other agreement between Franchisee, its owners, or its Affiliates and any Indemnified Parties, or (iii) any Lease, license agreement, or other instrument by which Franchisee has been granted the right to occupy any Swim Facility or any other premises used by Franchisee to operate the Franchised Business;

(b) the operation of the Franchised Business, including any injury to, or loss of property of, any person in, or on, the Swim Facility or any other premises used by Franchisee to operate the Franchised Business;

(c) Franchisee's taxes, liabilities, costs or expenses of its Franchised Business;

(d) any negligent or willful act or omission of Franchisee, its officers, directors, managers, members, partners, employees, agents, servants, contractors or others for whom it is, in law, responsible;

(e) any violation of any Applicable Laws by Franchisee or its representatives, including those concerning the Swim Facility's construction, design, or operation, and including any allegation that Franchisor or any other indemnified party is a joint employer or otherwise responsible for Franchisee's acts or omissions related to Franchisee's employees;

(f) any advertising or promotional material distributed, broadcasted or in any way disseminated by Franchisee, or on its behalf unless such material has been produced, or approved in writing, by Franchisor;

(g) any violations of applicable Privacy Laws or Section 9.3(k) of this Agreement by Franchisee, any contractor or subcontractor, employee, affiliate or other third-party to whom Franchisee has sold, disclosed, released, transferred, made available, divulged or otherwise permitted to access Customer Data; and

(h) Franchisee's use of the School Operating and Management Software and any other software provided directly or indirectly by Franchisor.

13.3 Indemnification Procedure. Franchisee agrees to defend the Indemnified Parties against any and all claims asserted or inquiries made (formally or informally), or legal actions, investigations, or other proceedings brought, by a third party and directly or indirectly arising out of or relating to any matter described in Section 13.2 above (collectively, "**Proceedings**"), including those alleging the Indemnified Party's negligence, gross negligence, willful misconduct and/or willful wrongful omissions. Instead of having Franchisee defend each Indemnified Party, each Indemnified Party may defend and otherwise respond to and address any claim asserted, inquiry made, or Proceeding brought that is subject to this Section 13 and/or agree to settlements or take any other remedial, corrective, or other actions, and Franchisee shall be solely responsible for paying, or reimbursing such Indemnified Party, for all costs related to such defense and response and for all Damages, subject to Section 13.4. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Damages, in order to maintain and recover fully a claim against Franchisee, and Franchisee agrees that a failure to pursue a recovery or mitigate Damages will not reduce or alter the amounts that an Indemnified Party may recover from Franchisee under this Section 13. Franchisee's obligations in this Section 13 will survive the expiration or termination of this Agreement.

13.4 Willful Misconduct or Gross Negligence. Despite Section 13.2, Franchisee has no obligation to indemnify or hold harmless an Indemnified Party for, and Franchisor will reimburse Franchisee for, any Damages (including costs of defending any Proceeding under Section 13.3) to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's willful misconduct or gross negligence, so long as the claim to which those Damages relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or employment) or Franchisor's failure to compel Franchisee to comply with this Agreement. However, nothing in this Section 13.4 limits Franchisee's obligation to defend Franchisor and the other Indemnified Parties under Section 13.3.

14. RELATIONSHIP

14.1 Independent Contractor Relationship. It is expressly agreed that the parties intend by this Agreement to establish between Franchisor and Franchisee the relationship of franchisor and franchisee. Franchisee acknowledges that it is an independent contractor and is not an agent, partner, joint venturer or employee of Franchisor and no training or supervision given by, or assistance from, Franchisor shall be deemed to negate such independence. Franchisor and Franchisee agree that no partnership, fiduciary relationship, joint venture, joint employment, or employment relationship exists between them. All employees hired by or working for Franchisee shall be the employees of Franchisee and shall not, for any purpose, be deemed employees of Franchisor or subject to Franchisor's control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

14.2 Franchisor Not Responsible or Liable for Franchisee's Actions. It is further agreed that Franchisee has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever. Franchisor shall not be obligated by, nor have any liability for, any agreements, representations or warranties made by Franchisee. Franchisee is, and shall remain, an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the Franchised Business, including any personal property or real property and for all claims or demands based on damage or destruction of property or based on injury, illness or death of any person or persons, directly or indirectly, resulting from the operation of the Franchised Business.

14.3 No Liability to Third Parties. Franchisor shall have no liability for Franchisee's obligations to pay any third parties, including without limitation, any product vendors, or any value added, sales, use, service, occupation, excise, Gross Revenues, income, property or other tax levied upon Franchisee, Franchisee's property, the Franchised Business or upon Franchisor in connection with the sales made or business conducted by Franchisee (except any taxes Franchisor is required by law to collect from Franchisee with respect to purchases from Franchisor).

14.4 Notice of Relationship. Franchisee shall conspicuously identify itself in all dealings with the public as a sole operator that is an entity separate from Franchisor and state that Franchisor has no liability for the Franchised Business being conducted from the Franchised Business location. Franchisee is required to post a sign in a prominent location within the Swim Facility that: (i) advises customers that the Franchised Business is independently owned and operated and (ii) identifies the Franchised Business as a member of the SafeSplash Swim School franchise network.

15. RESTRICTIVE COVENANTS

15.1 Confidential Information and Trade Secrets. Franchisee acknowledges and agrees that:

(a) Importance of Confidential Information. Franchisee's entire knowledge of the operation of the Franchised Business, the System and the concepts and methods of promoting the Franchised Business hereunder, that it has now or obtains in the future, is derived from Franchisor's Confidential Information and Trade Secrets. Franchisee further acknowledges and agrees that all of the Confidential Information and Trade Secrets are the sole property of Franchisor, represent valuable assets of Franchisor and that Franchisor has the right to use the Confidential Information and Trade Secrets in any manner it wishes at any time.

(b) Protection of Confidential Information. During the Term, Franchisee and Franchisees' owners, Designated Business Managers, officers, directors, managers, members, partners and employees who have access to the Confidential Information and Trade Secrets agree that they: (1) will not use the Confidential Information or Trade Secrets in any other business or capacity or for their own benefit; (2) will maintain the absolute confidentiality of the Confidential Information and Trade Secrets; and (3) will not make unauthorized copies of any portion of the Confidential Information and Trade Secrets.

(c) Post-Term Protection. After the Agreement expires or is terminated, Franchisee, and Franchisees' owners, Designated Business Managers and employees who have access to the Confidential Information and Trade Secrets agree that for a period of two years after the termination or expiration of the Agreement (unless such information is a Trade Secret in which case the requirements in this Section 15.1(c) will remain in place for as long as such information constitutes a Trade Secret) they: (1) will not use the Confidential Information or Trade Secrets in any other business or capacity or for their own benefit; (2) will maintain the absolute confidentiality of the Confidential Information and Trade Secrets; and (3) will not make unauthorized copies of any portion of the Confidential Information or Trade Secrets.

(d) Exceptions. Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to the following: (a) Confidential Information in the public domain after it was communicated to Franchisee through no fault of Franchisee, its owners, Designated Business Managers or employees; (b) Confidential Information in Franchisee's possession free of any obligation of confidence at the time it was communicated to Franchisee; or (c) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that Franchisee is legally compelled to disclose the information, if Franchisee has notified Franchisor before disclosure and used Franchisee's best efforts, and afforded Franchisor the opportunity, to obtain an appropriate protective order or other assurance satisfactory to Franchisor of confidential treatment for the information required to be so disclosed.

15.2 Noncompete. Franchisee covenants and agrees that:

(a) During the Term. During the Term, Franchisee and its owners shall not, without the prior written consent of Franchisor, either directly or indirectly, for itself or through, on behalf of, or in conjunction with any person, persons, partners or corporations:

(i) divert or attempt to divert any business or customer of any SafeSplash Business to any competitor by direct or indirect inducement or otherwise;

(ii) perform any act or omission that is injurious or prejudicial to the goodwill associated with the Marks or the System; or

(iii) own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, benefit from, lease property to, sell assets to, or have any interest in in any business operating in competition with SafeSplash Businesses, including any business offering "learn to swim" lessons, other swim-related activities, and other swim-related products or services (a "**Competitive Business**").

(b) After the Term. Franchisee and its owners shall not, for a continuous uninterrupted period commencing upon the expiration, transfer, or termination of this Agreement, regardless of the cause for termination, and continuing for two years thereafter, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, benefit from, lease property to, sell assets to, or have any interest in any Competitive Business in: (1) the Territory or any other franchisee's or licensee's territory; (2) within 10 miles of the Territory or any other franchisee's or licensee's territory; or (3) within 10 miles of any Franchisor or Affiliate-owned SafeSplash Business or any other swim school business operated by Franchisor or an Affiliate of Franchisor.

15.3 Tolling of Time Period. If any person restricted by this Section 15 refuses to voluntarily comply with the foregoing obligations, the two-year period will commence with the entry of any order of a court or arbitrator enforcing this Section 15.

15.4 Acknowledgement of Reasonableness. The parties have attempted in Section 15.2 above to limit Franchisee's right to compete only to the extent necessary to protect Franchisor from unfair competition. The parties hereby expressly agree that if the scope of enforceability of the provision of Section 15.2 is disputed at any time by Franchisee, a court or arbitrator, as the case may be, may modify Section 15.2 to the extent that it deems necessary to make such provision enforceable under Applicable Laws. In addition, Franchisor reserves the right to reduce the scope of said provision without Franchisee's consent, at any time or times, effective immediately upon notice to Franchisee. Franchisee EXPRESSLY ACKNOWLEDGES THAT IT POSSESSES SKILLS AND ABILITIES OF A GENERAL NATURE AND HAS OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE FRANCHISEE OF THE ABILITY TO EARN A LIVING.

15.5 Exception for Ownership of Public Companies. Nothing in this Section 15 shall prevent any active officer of Franchisee or member of Franchisee's family, either individually or collectively, from owning not more than a total of 10% of the stock of any company which is subject to the reporting requirements of the U.S. Securities and Exchange Act of 1934, provided that Franchisee or any member of Franchisee's family is otherwise not actively involved in the management or operation of that business and does not serve that business in any capacity other than as a shareholder.

15.6 Right to Injunctive Relief. Franchisor must be protected against the potential for unfair competition by Franchisee's use of Franchisor's training, assistance, Confidential Information and Trade Secrets in direct competition with Franchisor. Franchisee further acknowledges that Franchisor would not have entered into this Agreement or shared the Confidential Information, Trade Secrets and other information with Franchisee absent Franchisee's agreement to strictly comply with the provisions of this Section 15. Franchisee acknowledges that as a Franchisee of Franchisor, it will have access to Franchisor's Trade Secrets and Confidential Information and therefore be in a unique position to use the special knowledge gained as a franchisee. Franchisee acknowledges that a breach of the covenants contained in this Section 15 will be deemed to threaten immediate and substantial irreparable injury to Franchisor. Accordingly, Franchisee agrees that Franchisor will have the right, without prior notice to Franchisee, to obtain immediate injunctive relief without limiting any other rights or remedies and without posting a bond.

16. ASSIGNMENT

16.1 Transfer by Franchisor. Franchisee acknowledges that Franchisor's obligations under this Agreement are not personal. Franchisor shall have the absolute right, in its sole discretion and at any time, to unconditionally transfer or assign this Agreement or any of its rights or obligation under this Agreement to any person, corporation or other party, including the operator of a competing national or regional chain or franchise system. Franchisee acknowledges and agrees that Franchisor may sell its assets, the Marks or the System to any third-party of Franchisor's choice; may offer its securities privately or publicly; may merge with or acquire other business entities or be acquired by another business entity; may permit and participate in any transfer or distribution of its securities in connection with a spin-off; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; or may terminate or cease to exist or dissolve, in any such case without Franchisee's consent and, provided the transferee expressly assumes and undertakes to perform Franchisor's obligations in all material respects, do so free of any responsibility or liability whatsoever to Franchisee after the transaction occurs. With regard to any of the above sales, assignment and dispositions, Franchisee expressly and specifically waives any claims, demands or damages against Franchisor arising from or related to the transfer of the Marks, assets or the System from Franchisor to any other party.

16.2 Transfer by Franchisee. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee. Accordingly, (a) this Agreement, (b) Franchisee's rights and interests under this Agreement, (c) the property and assets owned and used by Franchisee in connection with the Franchised Business, and (d) any shares, stock, membership or interest in any corporation, limited liability company or other entity having an interest in the Franchised Business, shall not be voluntarily or involuntarily, directly or indirectly sold, pledged, assigned, transferred, shared, subdivided, sub-franchised, encumbered or transferred in any way (including, without limitation, in the event of the death of Franchisee if Franchisee is an individual), in whole or in part, in any manner whatsoever (collectively, a "**Transfer**") without Franchisee (i) complying with all terms of this Section 16 and (ii) obtaining the prior written approval of Franchisor, which approval Franchisor may grant, condition, or withhold in its sole discretion. Any unauthorized sale, assignment, transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void and grounds for termination of this Agreement by Franchisor.

16.3 Effect of Transfer. With and after each valid assignment of this Agreement pursuant to this Section 16, the assignee or assignees of Franchisee shall be deemed to be Franchisee under this Agreement and will be bound by and liable for all of Franchisee's existing and future obligations. No stockholder in any corporation, member in any limited liability company or partner in any partnership which becomes Franchisee shall have any rights under this Agreement by reason of his, her or its stock ownership, membership interest or partnership interest.

16.4 Purchase Offer. If Franchisee shall at any time determine to sell, in whole or in part, the Franchised Business, Franchisee shall obtain a bona fide, executed, written offer ("**Purchase Offer**") for the Franchised Business together with all real or personal property, leasehold improvements and other assets used by Franchisee in its Franchised Business from a responsible, arms' length, and fully disclosed purchaser and shall submit an exact copy of such Purchase Offer to Franchisor. Franchisor will have a right of first offer to purchase the Franchised Business as provided in Section 17.

16.5 Conditions for Approval. No Transfer will be approved by Franchisor or be effective unless and until all the following conditions, among any others reasonably specified by Franchisor, are satisfied, unless otherwise waived by Franchisor in writing:

(a) Franchisee being then in full compliance with this Agreement and paying to Franchisor all outstanding debts or amounts owing to Franchisor and any Affiliates or suppliers of Franchisor;

(b) the transferee executing Franchisor's then-current form of franchise agreement (which, in Franchisor's sole discretion, may have terms equal to the remainder of Franchisee's initial Term, or may include a new full length Term, and which may otherwise contain provisions substantially different from those contained herein, including higher fees and greater required expenditures for advertising and promotion than are provided hereunder, but which shall not require the payment of another Initial Franchise Fee) and all other documents as may be reasonably requested by Franchisor and paying to Franchisor a transfer fee ("**Transfer Fee**") equal to 30% of the then-current Initial Franchise Fee;

(c) Franchisee's and its owners' execution of a general release of all claims they may have against Franchisor or its Affiliates, including its and their officers, directors, members, agents and employees;

(d) the transferee is purchasing all of Franchisee's assets used in the Franchised Business in accordance with all applicable bulk sales legislation and assuming all of the liabilities of the Franchised Business unless such liabilities have been paid prior to the closing of the transaction of purchase and sale or unless the sale is a sale of shares in the capital stock or membership interest of Franchisee;

(e) the transferee shall be an individual, corporation, limited liability company, partnership or other business entity having adequate financial resources who shall meet all criteria established by Franchisor for franchisees. The transferee shall also complete Franchisor's then-current training program established by Franchisor for franchisees unless: (i) the transferee is a current franchisee in good standing in the System or (ii) the transferee is or has been a Designated Business Manager for a period of one year or more of a Franchised Business in good standing;

(f) Franchisee shall, at Franchisor's request, prepare and furnish to the transferee and/or Franchisor such financial reports and other data relating to the Franchised Business and its operations as Franchisor deems reasonably necessary or appropriate for the transferee and/or Franchisor to evaluate the Franchised Business and the proposed transfer. Franchisee authorizes Franchisor to confer with a proposed transferee and furnish it with information concerning the Franchised Business and the terms and conditions of the proposed transfer, and Franchisor may do so without any liability, except for intentional misstatements made to a transferee;

(g) the parties to the proposed transaction will have entered into a binding agreement subject only to the rights of Franchisor set out in Section 17. Franchisor shall be furnished a copy of this binding agreement, and such agreement shall be subject to Franchisor's approval in writing. Franchisee must advise each prospective transferee of this provision and the other terms of this Agreement;

(h) the proposed transferee or the stockholders, partners, members or owners of a beneficial interest in a proposed corporation, partnership, limited liability company or other entity transferee, provide jointly and severally such personal guarantees as Franchisor may request, guaranteeing the proposed transferee's performance of its obligations under the agreements to be entered into;

(i) the proposed transferee shall have demonstrated to Franchisor's satisfaction that it, he or she will meet in all respects Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote its, his or her full time and best efforts to the operation of the Franchised Business, and any other conditions as Franchisor may reasonably apply in evaluating new franchisees. Franchisor must be provided with all information about the proposed transferee as Franchisor may reasonably require. Because of the confidential information and trade secrets available to a franchisee, no assignment to a competitor of Franchisor will be permitted; and

(j) the transferee paying all costs of Franchisor with respect to (i) the granting of its approval, as hereinbefore contemplated, including but not limited to all of its legal costs with respect to the preparation and execution of the above noted then-current form of Franchise Agreement and all other documents then customarily used by Franchisor to grant franchises; and (ii) the transfer, including but not limited to, all professional fees (attorneys' fees, broker fees and the like), leasing expenses, brokerage commissions or fees, document preparation costs and due diligence.

16.6 Transfers to Certain Entities. Notwithstanding anything to the contrary herein contained, Franchisor shall, upon Franchisee's compliance with such requirements as may from time to time be prescribed by Franchisor (including the obtaining of all necessary approvals to the assignment of the Lease, if any, of the Swim Facility), consent to Transfer to a corporation, limited liability company or other business entity which is wholly owned and controlled by Franchisee, subject to the following (provided that such assignment shall in no way release Franchisee from any liability under this Agreement):

(a) Contemporaneously with such Transfer and thereafter upon the appointment or election of any person as director, officer, partner or manager of such corporation, limited liability company or other business entity, such corporation, limited liability company, partnership or other business entity shall cause each shareholder, partner, member, manager, director(s) and officer(s) of the corporation, limited liability company, partnership or other business entity to execute a written agreement with Franchisor under seal, personally guaranteeing full payment and performance of Franchisee's obligations to Franchisor and individually undertaking to be bound, jointly and severally, by all the terms of this Agreement or any new current form of Franchise Agreement and jointly and severally liable;

(b) No shares or interest in the capital of such corporation, limited liability company, partnership or other business entity shall be issued nor shall Franchisee directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, convey, donate, pledge, mortgage or otherwise encumber any such shares or interest or offer or attempt to do so or permit the same to be done without Franchisor's prior written consent;

(c) The corporation shall maintain stop transfer instructions against the transfer of shares or membership interests on its records subject to the restrictions of this Section and shall have all outstanding shares or membership interest certificates endorsed with the following legend printed conspicuously upon the face of each share or certificate:

"*The transfer of this certificate is subject to the terms and conditions of a certain Franchise Agreement with SafeSplash Brands, LLC d/b/a Streamline Brands. Reference is made to said Franchise Agreement and to the restrictive provisions of the articles of this corporation.*"

(d) The articles of incorporation, articles of organization, operating agreement, partnership agreement, shareholder agreement and by-laws of the corporation, limited liability company, partnership or other business entity shall provide that its objectives or business is confined exclusively to the operation of the Franchised Business as provided for in this Agreement, and recite that the issuance and transfer of any shares, membership interest, partnership interest or other interest is restricted by the terms of this Agreement, and copies thereof shall be furnished to Franchisor upon request;

(e) Franchisor's consent to a transfer of any interest subject to the restrictions of this Section shall not constitute a waiver of any claim it may have against the assignor, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the assignee;

(f) The corporation, partnership, limited liability company or other business entity shall advise Franchisor and keep Franchisor current as to the names and addresses of the directors, officers, members, partners and shareholder of and those persons financially involved in the corporation, partnership, limited liability company or other business entity; and

(g) Franchisee agrees to devote its full time and best efforts to manage the day-to-day operations of the Franchised Business unless it has an operational partner or Designated Business Manager approved by Franchisor.

16.7 Transfer Upon Death or Permanent Disability. Upon the death or permanent disability of an individual Franchisee (or the controlling shareholder, member or partner if Franchisee is a legal entity), the personal representative of such person shall transfer all right, title and interest in this Agreement or such interest in Franchisee to any approved third-party, which may include an heir or beneficiary that otherwise satisfies Franchisor's then-current standards and qualifications for new Franchisee. Such disposition of this Agreement or such interest (including, without limitation, transfer by bequest or inheritance, provided such transfer is in accordance with the requirements of this Section 16.7) shall be completed within a reasonable time, not to exceed six months from the date of death or permanent disability (unless extended by probate proceedings) and shall be subject to all the terms and conditions applicable to transfers contained in this Section. Franchisor shall have the right, in Franchisor's sole discretion, to operate the Swim Facility or to appoint a representative or designee to operate the Swim Facility, for a period of up to 180 days, or until such time as Franchisee's interest shall have been transferred to an approved third-party, whichever occurs first. Franchisor or the appointed representative shall be entitled to retain all revenues and shall pay all operating expenses from the operation of the Swim Facility, without the right to seek or require reimbursement by Franchisee's estate or personal representative, during the period of operation of the Swim Facility. Failure to transfer the interest in this Agreement or such interest in Franchisee within said period shall constitute a breach of this Agreement and shall entitle Franchisor to terminate this Agreement without further notice or the opportunity to cure. For purposes hereof, the term "**Permanent Disability**" shall mean a mental or physical disability, impairment or condition that prevent Franchisee or Franchisee's controlling shareholder, member or partner from performing the essential functions of Franchisee.

16.8 Security Interests. Franchisee shall grant no security interest in any of the assets of the Franchised Business unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and the option to be substituted as obligor to the secured party and to cure any default of Franchisee, except that any acceleration of indebtedness due to Franchisee's default shall be void.

17. OPTION TO PURCHASE — RIGHT OF FIRST OFFER

17.1 Triggers of Option to Purchase. Unless otherwise explicitly provided by this Agreement, Franchisor shall be entitled to exercise the rights provided in this Section immediately upon:

(a) The expiration without extension of Franchisee's rights to operate the Franchised Business or the termination for any reason of this Agreement;

(b) Any breach, default, or other event that gives Franchisor the right to terminate this Agreement, after expiration of any applicable notice and cure period; or

(c) The receipt by Franchisor of a copy of a written Purchase Offer.

17.2 Option to Purchase. Upon any event described in Section 17.1, Franchisor shall have the option to purchase all of Franchisee's rights, title and interest in the Franchised Business, and all its improvements, furniture, fixtures, equipment, inventory, and products and all of Franchisee's accounts receivable, contract rights, work in progress and other business assets.

17.3 Purchase Price. The purchase price for assets itemized in Section 17.2 will be, subject to Section 17.4: (i) the current fair market value if Section 17.1(a) or 17.1(b) is applicable; or (ii) the price specified in the Purchase Offer received by Franchisee if Section 17.1(c) is applicable. If Franchisee and Franchisor cannot agree on fair market value within a reasonable time, an independent appraiser will be designated by Franchisee and Franchisor and an average of the two appraised values will be binding. Appraised values will exclude any and all consideration for goodwill or going concern value created by the Marks and business system licensed to Franchisee.

17.4 Right to Set Off or Substitute Cash. If Franchisor elects to exercise any option to purchase provided in this Section 17, Franchisor will have the right to set off all amounts due from Franchisee under the Franchise Agreement or any other agreements between the parties, any commissions or fees payable to any broker, agent or other intermediary and the cost of the appraisal, if any, against any payment. Franchisee shall also have the right to substitute cash for any other form of consideration specified in the Purchase Offer and to pay in full the entire purchase price at the time of closing.

17.5 Notice of Intent. Franchisor will notify Franchisee of its intention to exercise or not exercise its rights to purchase ("**Notice of Intent**") within 60 days following an event described in Section 17.1(a) or 17.1(b) or within 15 days following an event described in Section 17.1(c). The Notice of Intent will specify the assets to be purchased, and the current fair market value as determined by Franchisor if Section 17.1(a) or 17.1(b) is applicable. In the event Franchisor is purchasing the assets pursuant to Sections 17.1(b) or 17.1(b), Franchisee will have 14 days following receipt of Franchisor's Notice of Intent to object to any of the prices specified therein, and any disputes over pricing shall be resolved through appraisal as specified by Section 17.3. If Franchisor declines to exercise its rights under this Section within the 15-day or 60-day period described above, as applicable, Franchisee may thereafter sell or dispose of the Franchised Business to any third-party in the event of a sale under Section 17.1(b) or 17.1(b) or to the third-party identified in the Purchase Offer in the event of a sale under Section 17.1(c), but not at a lower price nor on more favorable terms than set forth in the Purchase Offer, if any, or the Notice of Intent and subject to the prior written permission of Franchisor and satisfaction of the other conditions to assignment set forth in Section 16. If the sale to such third-party purchaser is not completed within 90 days after Franchisor delivers the Notice of Intent to Franchisee, Franchisor shall again have the right of first offer provided in this Agreement.

17.6 Completion of Sale. If Franchisor provides Franchisee with its Notice of Intent to exercise its rights under this Section 17, the purchase and sale contemplated in this Section shall be consummated as soon as possible. In the event Franchisor is purchasing the assets pursuant to Sections 17.1(a) or 17.1(b), following the delivery of a Notice of Intent as specified in Section 17.5, Franchisor or Franchisor's designee shall have the immediate right to take possession of the Franchised Business and to carry on and develop the Franchised Business for the exclusive benefit of Franchisor or its designee.

18. DEFAULT AND TERMINATION

18.1 Non-curable Defaults. Franchisor shall have the right, at its option, to (i) suspend performance of certain or all of its services to Franchisee during the time period Franchisee is in default of this Agreement; or (ii) terminate this Agreement and all rights granted Franchisee hereunder (subject to the provisions of Applicable Laws governing franchise termination and renewal), effective upon receipt of notice by Franchisee, addressed as provided in Section 20, upon the occurrence of any of the following events:

(a) Franchisee fails or refuses to open the Swim Facility on or before the Required Opening Date;

(b) Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of Franchisor's Operations Manual, Confidential Information or Trade Secrets of Franchisor;

(c) Franchisee voluntarily abandons the Franchised Business for a period of five consecutive days, or any shorter period that indicates an intent by Franchisee to discontinue operation of the Franchised Business or Franchisee provides written notice to Franchisor of its intent to abandon the Franchised Business, unless such abandonment is due to fire, flood, earthquake or other similar causes beyond Franchisee's control and not related to the availability of funds to Franchisee;

(d) Franchisee becomes insolvent or is adjudicated as bankrupt; any action is taken by Franchisee, or by others against Franchisee, under any insolvency, bankruptcy or reorganization act; Franchisee makes an assignment for the benefit of creditors; or a receiver is appointed for Franchisee;

(e) Any material judgment (or several judgments which in the aggregate are material) is obtained against Franchisee and remains unsatisfied or of record for 30 days or longer (unless a supersedeas or other appeal bond has been filed); execution is levied against Franchisee's Franchised Business or any of the property used in the operation of the Franchised Business and is not discharged within five days; or the real or personal property of Franchisee's Franchised Business is sold after levy thereupon by any sheriff, marshal or constable;

(f) Franchisee, the Designated Business Manager, or any owner of greater than 10% of the Franchisee entity is charged or convicted of (i) any felony, (ii) a crime involving moral turpitude or fraud, (iii) a felony or misdemeanor of any type against a child, or (iv) any crime or offense that is reasonably likely, in the sole opinion of Franchisor, to materially and unfavorably affect the System, Marks, goodwill or reputation thereof;

(g) Franchisee fails to pay any amounts due Franchisor or Affiliates within 10 days after receiving notice that such fees or amounts are overdue;

(h) Franchisee misuses or fails to follow Franchisor's directions and guidelines concerning use of the Marks and fails to correct the misuse or failure within 10 days after notification from Franchisor;

(i) Franchisee has received two notices of default with respect to Franchisee's obligations hereunder from Franchisor within a 12-month period, regardless of whether the defaults were cured by Franchisee;

(j) Franchisee sells, transfers or otherwise assigns the Franchised Business, an interest in the Franchised Business or Franchisee entity, this Agreement, or a substantial portion of the assets of the Franchised Business owned by Franchisee without complying with the provisions of Section 16;

(k) Franchisee submits on two or more occasions during the Term a report, financial statement, tax return, schedule or other information or supporting record which understates its Gross Revenue by more than 2%, unless Franchisee demonstrates that such understatement resulted from inadvertent error;

(l) Franchisee fails, or refuses, to submit any report, financial statement, tax return, schedule or other information or supporting records required herein, or submits such reports more than five days late on two or more occasions during the Term or any Successor Term unless due to circumstances beyond the control of Franchisee;

(m) Franchisee sells or offers for sale any unauthorized merchandise, product or service, engages in any unauthorized business or practice or sells any unauthorized product or service under the Marks or under a name or mark which is confusingly similar to the Marks;

(n) Franchisee contests in any court or proceeding the validity of or Franchisor's ownership of the Marks or Copyrighted Materials;

(o) Franchisee is a corporation, limited liability company, partnership or other business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate such entity without Franchisor's prior written consent;

(p) Franchisee or its Designated Business Manager fails to successfully complete Franchisor's training or re-training course(s);

(q) Franchisee receives from Franchisor during the Term three or more notices of default regardless whether such notices of default relate to the same or different defaults or whether such defaults have been remedied by Franchisee;

(r) Any misrepresentation under Section 2.2 or any violation of Anti-Terrorism Laws by Franchisee, its Designated Business Manager, its owners, officers, directors, managers, members, partners, agents or employees; or

(s) Franchisee fails, refuses or neglects to take appropriate and necessary measures at the Swim Facility to protect any student or employee of the Franchised Business whose health or safety is in imminent and significant danger when Franchisee is aware of, or should be aware of, such danger.

18.2 Curable Defaults. Franchisor shall have the right, at its option, to (i) suspend performance of certain or all of its services to Franchisee during the time period Franchisee is in default of this Agreement; (ii) reduce the size of Franchisee's Territory, as determined by Franchisor in Franchisor's discretion; and/or (iii) terminate this Agreement (subject to any Applicable Laws to the contrary, where state law shall prevail), effective upon 30 days written notice to Franchisee, if Franchisee breaches any other provision of this Agreement and fails to cure the default during such 30-day period. In that event, this Agreement will terminate without further notice to Franchisee, effective upon expiration of the 30-day period. Defaults shall include, but not be limited to, the following:

(a) Franchisee fails to maintain the then-current operating procedures and standards established by Franchisor as set forth herein or in the Operations Manual or otherwise communicated to Franchisee;

(b) Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

(c) Franchisee fails or refuses to comply with the then-current requirements of the Operations Manual;

(d) Franchisee, or any partnership, joint venture, limited liability company, corporation or other business entity in which Franchisee has a controlling equity interest or which has a controlling interest in Franchisee, defaults under any term of the Lease of the Swim Facility or any other premises used by Franchisee to operate the Franchised Business, any other franchise agreement with Franchisor, or any other agreement material to the Franchised Business and such default is not cured within the time specified in such Lease, other franchise agreement, or other agreement;

(e) Franchisee fails, refuses or neglects to submit a statement of monthly revenues accompanying the Strategic Marketing and Promotions Fees or any other report required under the Agreement when due;

(f) Franchisee fails, refuses or neglects to accurately report Gross Revenues, sales information or other information required by Franchisor to be reported;

(g) Franchisee operates the Franchised Business in a manner that presents a significant health or safety hazard to any of its students or employees;

(h) Franchisee receives a score on Franchisor's annual quality assurance evaluation that is below 70%; or

(i) Franchisee fails to comply with any other provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor and does not correct such failure within 10 days (or 30 days if this is the first non-compliance or breach) after written notice from Franchisor (which shall describe the action that Franchisee must take) is delivered to Franchisee.

18.3 Extension of Cure Period. Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such 30-day period and Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such 30-day period, Franchisee shall be given an additional reasonable period of time to cure the same, but in no event longer than 30 additional days.

18.4 Franchisee Has No Right to Terminate or Set Off. A termination of this Agreement by Franchisee shall be deemed to be a termination without cause, and a breach hereof, by Franchisee. Franchisee agrees that it shall not, on grounds of an alleged nonperformance by Franchisor of any of its obligations or any other reason, withhold payment of any amount due to Franchisor whatsoever or set off amounts owed to Franchisor under this Agreement, against any monies owed to Franchisee, which right of set off is hereby expressly waived by Franchisee.

18.5 Franchisor Right to Set Off and Recover Debts. No endorsement or statement on any check or payment of any sum less than the full sum due to Franchisor shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and Franchisor may accept and cash such check or payment without prejudice to its right to recover the balance due or pursue any other remedy provided herein or by law. Franchisor may apply any payments made by Franchisee against any past due indebtedness of Franchisee as Franchisor may see fit. Franchisor may set off against any payment due to Franchisee hereunder any outstanding debts of Franchisee to Franchisor, and may, at Franchisor's option, pay Franchisee's trade creditors out of any sum otherwise due to Franchisee.

18.6 Cross-Default. Should Franchisee, or any partnership or joint venture or corporation in which Franchisee has a controlling equity interest, be a franchisee pursuant to another Franchise Agreement with Franchisor, respecting another franchised SafeSplash Business or another brand owned by Franchisor or an Affiliate of Franchisor (e.g., SwimLabs or Swimtastic), a default under this Agreement shall constitute a default under such other Franchise Agreement and vice versa, with like remedies available to Franchisor. Should such other Franchise Agreement cease to be valid, binding and in full force and effect for any reason then Franchisor may, at its option, terminate this Agreement and this Agreement shall be forthwith surrendered by Franchisee and terminated, and likewise should this Agreement cease to be valid binding and in full force and effect for any, reason, Franchisor may at its option terminate the other Franchise Agreement and the other Franchise Agreement shall be forthwith surrendered and terminated. In the event that there is more than one Franchisee, or if Franchisee should consist of more than one legal entity, Franchisee's liability hereunder shall be both joint and several. A breach hereof by one such entity or Franchisee shall be deemed to be a breach by both or all.

18.7 Post-Termination Obligations. Franchisee agrees that upon termination or expiration of this Agreement, it shall take the following actions:

(a) Immediately discontinue the use of all Marks, signs, structures, forms of advertising, telephone listings, facsimile numbers, e-mail addresses, the Operations Manual and all materials, Products and Services of any kind which are identified or associated with the System and return all these materials and Products to Franchisor;

(b) Immediately turn over to Franchisor all materials, including the Operations Manual, customer lists, records, files, instructions, brochures, advertising materials, agreements, Confidential Information, Trade Secrets and any and all other materials provided by Franchisor to Franchisee or created by a third-party for Franchisee relating to the operation of the Franchised Business (all of which are acknowledged to be Franchisor's property). Under no circumstances shall Franchisee retain any printed or electronic copies of the Operations Manual, Confidential Information or Trade Secrets or portions thereof upon expiration or termination of this Agreement;

(c) Franchisee hereby acknowledges that all telephone numbers, facsimile numbers and Internet addresses used in the operation of the Franchised Business constitute assets of Franchisor, and upon termination or expiration of this Agreement, Franchisee shall take such action within five days to cancel or assign to Franchisor or its designee as determined by Franchisor, all Franchisee's right, title and interest in and to Franchisee's telephone numbers, facsimile numbers and Internet addresses and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number, facsimile number and Internet and e-mail addresses and any regular, classified or other telephone directory listing associated with the Marks and to authorize a transfer of same to or at the direction of Franchisor. Franchisee acknowledges as between Franchisor and Franchisee, Franchisor has the sole rights to, and interest in, all telephone numbers, facsimile numbers, directory listings and Internet addresses used by Franchisee to promote the Franchised Business and/or associated with the Marks. Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. **Attachment E** evidences such appointment;

(d) Immediately take all steps necessary to amend or terminate any registration or filing of any d/b/a or business name or fictitious name or any other registration or filing containing the Marks so as to delete the Marks and all references to anything associated with the System;

(e) Immediately assign to Franchisor, at Franchisor's option, any interest in which Franchisee has in any Lease or other evidence of title for the Swim Facility. In the event Franchisor does not elect to exercise its option to acquire the Lease or other evidence of for the Swim Facility, then, to the extent, if any, Franchisee is permitted to conduct any business at the Swim Facility pursuant to the terms of this Agreement or a separate written agreement with Franchisor, and acknowledging the distinctiveness of Franchisor's interior design and décor, Franchisee shall make such modifications or alterations to the premises immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of such premises from that of other SafeSplash Businesses operating under the System and Marks, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this Section 18.7(e), Franchisor shall have the right to enter the Swim Facility without being guilty of trespass or any other tort, for the purposes of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand;

(f) Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's rights in and to the Marks, and further agrees not to use any designation of origin, description, representation, trademark or trade name which suggests or represents a past or present association or connection with Franchisor, the System, or the Marks;

(g) Pay within five days of the effective date of termination or expiration of this Agreement all amounts owed to Franchisor, the Lessor of the Swim Facility or other premises used in the Franchised Business (if applicable), and Franchisee's trade and other creditors which are then unpaid;

(h) Provide Franchisor the option to purchase as set forth in Section 17; and

(i) Comply with the provisions of Sections 11.1(c) and 11.1(d) and Section 15.

18.8 Right to Enter Premises. If, within 30 days after termination or expiration of this Agreement by Franchisor, Franchisee fails to remove all displays of the Marks from the Franchised Business, which are identified or associated with the System, Franchisor may enter the Franchised Business to effect removal. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials. Franchisee will reimburse Franchisor for any expenses it incurs to effect removal.

18.9 Right to Remedy. If, within 30 days after termination or expiration of this Agreement Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any business name or d/b/a or any other registration or filing containing the Marks, Franchisee hereby irrevocably appoints Franchisor as Franchisee's true and lawful attorney for Franchisee, and in Franchisee's name, place and stead and on Franchisee's behalf, to take action as may be necessary to amend or terminate all registrations and filings, this appointment being coupled with an interest to enable Franchisor to protect the System.

18.10 Right to Pursue Claims. Termination or expiration of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies which Franchisor may have against Franchisee, whether such claims or rights arise before or after termination or expiration.

18.11 Loan, Notes, and Security Interests. In the event that this Agreement expires or is terminated for any reason whatsoever and Franchisor is the lender under any loan agreement ("**Loan**") or the holder of any promissory note ("**Note**") or the holder of any personal property, security interest, chattel mortgage, debenture or mortgage of any nature whatsoever ("**Security Interest**") from Franchisee concerning assets used at any time by Franchisee in the Franchised Business or which are situated on the Franchised Business premises, such Loan, Note or Security Interest shall, upon the effective date of termination or expiration, immediately become fully due and payable as to all principal and interest so loaned and secured.

18.12 State Franchise Laws. THE PARTIES ACKNOWLEDGE THAT IN THE EVENT THAT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE LAWS, SUCH LAW SHALL GOVERN FRANCHISEE'S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT.

19. CONDEMNATION AND CASUALTY

19.1 Notices Related to Franchised Business. Franchisee shall promptly advise Franchisor upon Franchisee's receipt of a notice of default or termination under Franchisee's Lease or mortgage and shall promptly provide Franchisor a copy of the notice. Franchisee shall also give Franchisor notice of any proposed taking of the Swim Facility or any portion thereof through the exercise of the power of eminent domain at the earliest possible time.

19.2 Relocation of Swim Facility. If the Swim Facility or a substantial part thereof is to be taken, the Franchised Business may be relocated within the Territory specified in **Attachment A**, or elsewhere with Franchisor's written approval in accordance with Franchisor's relocation procedures set forth in the Operations Manual. If Franchisee opens a new business as provided above at another location in accordance with Franchisor's standards and general specifications within one year of the closing of the old Swim Facility, the new Franchised Business shall be deemed to be the Franchised Business licensed under this Agreement. If a condemnation, Lease termination or mortgage default takes place and a new Franchised Business does not, for any reason, become the Franchised Business as provided in this Section 19.1, then the License shall terminate upon notice by Franchisor.

19.3 Damaged Swim Facility. If the Swim Facility is damaged for any reason, Franchisee shall expeditiously repair the damage. If the damage or repair requires closing the Franchised Business, Franchisee shall immediately notify Franchisor in writing, and shall:

(a) Relocate the Franchised Business as provided in Section 19.2; or

(b) Repair or rebuild the Franchised Business at the Swim Facility in accordance with Franchisor's then-existing standards and general specifications, and reopen the Franchised Business for continuous business operations as soon as practicable (but in any event within 12 months after closing the Franchised Business at the Swim Facility), giving Franchisor 30 days' advance notice of the date of reopening;

(c) If the Franchised Business is not (or, in the opinion of Franchisor cannot be) reopened in accordance with this Section 19.3, or relocated pursuant to Section 19.2, the License shall terminate upon notice to Franchisee.

19.4 Extension of Term. The Term will not be extended by any interruption in the Franchised Business's operations, except for an act of God that results in the Franchised Business being closed not less than 60 days nor more than 180 days. Franchisee must apply for any extension within 30 days following the reopening of the Franchised Business. No event during the Term will excuse Franchisee from paying any fees as provided in this Agreement.

20. NOTICES

20.1 Any notice of default under this Agreement shall be delivered personally or by recognized overnight delivery or courier services to the appropriate location. Any other notice, request, demand, approval, consent or other communication which the parties hereto may be required or permitted to be given hereunder shall be in writing and may be given to the party for whom it is intended by personal delivery, e-mail to the designated e-mail address, or delivering it to such party by mailing it by prepaid registered mail or by recognized overnight delivery or courier services, in the case of Franchisor to:

To Franchisor:

SafeSplash Brands, LLC d/b/a Streamline Brands
12240 Lioness Way
Parker, Colorado 80134
Attention: Senior Vice President of Operations
Phone: (720) 735-9511
Email: franchise@streamlinebrands.com

To Franchisee:

____
____
____
Attention:____________________
Phone: (__) __________________
Email: ____________________

Any such notice or other document delivered personally or by e-mail shall be deemed to have been received by and given to the addressee on the day of delivery and any such other notice or other document mailed as aforesaid, shall be deemed to have been received by and given to the addressee on the third business day following the date of mailing, and any delivery made by recognized overnight delivery or courier services shall be deemed to be delivered the next business day. Any party may at any time give notice in writing to any other party of any change of address.

21. DISPUTE RESOLUTION

21.1 Informal Dispute Resolution. The parties will first attempt to resolve any dispute relating to or arising out of this Agreement by negotiation. Franchisor will provide a procedure for internal dispute resolution as set forth in the Operations Manual, and the parties acknowledge and agree that this procedure may be revised periodically in Franchisor's discretion.

21.2 Disputes Subject to Litigation. To protect from violations that would cause immediate loss and damages or irreparable harm, Franchisor and Franchisee shall each have the right to seek from a state or federal court located in Denver, Colorado:

(a) injunctive relief and any related incidental damages;

(b) an action for disputes or claims related to or based on the Marks;

(c) enforcement of a covenant not to compete; and

(d) issues related to the disclosure of or misuse of Confidential Information or Trade Secrets.

FRANCHISEE AND FRANCHISOR HAVE NEGOTIATED REGARDING A FORUM IN WHICH TO RESOLVE THESE DISPUTES. THEREFORE, IF SUCH A CLAIM IS ASSERTED IN ANY LEGAL PROCEEDING INVOLVING FRANCHISEE, ITS OFFICERS DIRECTORS, MANAGERS, MEMBERS, OR PARTNERS AND FRANCHISOR, ITS OFFICERS, DIRECTORS, SHAREHOLDERS, MANAGERS, MEMBERS, EMPLOYEES OR AFFILIATES, BOTH PARTIES AGREE THAT THE EXCLUSIVE VENUE FOR DISPUTES BETWEEN THEM SHALL BE IN THE STATE OF COLORADO AND EACH WAIVE ANY OBJECTION EITHER MAY HAVE TO THE PERSONAL JURISDICTION OF OR VENUE IN THE STATE OF COLORADO. FRANCHISEE IRREVOCABLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND WAIVES ANY OBJECTION FRANCHISEE MAY HAVE TO EITHER THE JURISDICTION OR VENUE IN SUCH COURT.

21.3 Disputes Subject to Arbitration. **EXCEPT FOR CLAIMS THAT AN APPLICABLE FEDERAL STATUTE EXPRESSLY STATES CANNOT BE ARBITRATED OR AS OTHERWISE PROVIDED IN THIS SECTION, ANY CONTROVERSY OR DISPUTE ARISING OUT OF, OR RELATING TO THE FRANCHISED BUSINESS OR THIS AGREEMENT INCLUDING, BUT NOT LIMITED TO, ANY CLAIM BY FRANCHISEE OR ANY PERSON IN PRIVITY WITH OR CLAIMING THROUGH, ON BEHALF OF OR IN THE RIGHT OF FRANCHISEE, CONCERNING THE ENTRY INTO, PERFORMANCE UNDER, OR TERMINATION OF, THIS AGREEMENT OR ANY OTHER AGREEMENT ENTERED INTO BY FRANCHISOR, OR ITS SUBSIDIARIES OR AFFILIATES, AND FRANCHISEE; ANY CLAIM AGAINST A PAST OR PRESENT EMPLOYEE, OFFICER, DIRECTOR,**

MEMBER, SHAREHOLDER OR AGENT OF FRANCHISOR; ANY CLAIM OF BREACH OF THIS AGREEMENT; AND ANY CLAIMS ARISING UNDER STATE OR FEDERAL LAWS, SHALL BE SUBMITTED TO FINAL AND BINDING ARBITRATION AS THE SOLE AND EXCLUSIVE REMEDY FOR ANY SUCH CONTROVERSY OR DISPUTE. "PERSONS IN PRIVITY" WITH OR CLAIMING THROUGH, ON BEHALF OF OR IN THE RIGHT OF FRANCHISEE INCLUDE BUT ARE NOT LIMITED TO, SPOUSES AND OTHER FAMILY MEMBERS, DOMESTIC PARTNERS, HEIRS, EXECUTORS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS. SUBJECT TO THIS SECTION, THE RIGHT AND DUTY OF THE PARTIES TO THIS AGREEMENT TO RESOLVE ANY DISPUTES BY ARBITRATION SHALL BE GOVERNED EXCLUSIVELY BY THE FEDERAL ARBITRATION ACT, AS AMENDED, AND ARBITRATION SHALL TAKE PLACE ACCORDING TO THE COMMERCIAL ARBITRATION RULES (IN EFFECT AS OF THE DATE THE DEMAND FOR ARBITRATION IS FILED) OF, AND UNDER THE AUSPICES OF, THE AMERICAN ARBITRATION ASSOCIATION. THE ARBITRATION, WHICH SHALL BE HELD BEFORE A SINGLE ARBITRATOR, SHALL BE HELD IN THE DENVER, COLORADO OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION, OR AT SUCH OTHER LOCATION AS SHALL BE MUTUALLY AGREED UPON BY THE PARTIES IN WRITING. HOWEVER, ARBITRATION WILL NOT BE REQUIRED TO BE USED FOR ANY DISPUTE WHICH INVOLVES THE TYPE OF DISPUTES IDENTIFIED IN SECTION 21.2. THE PARTIES EXPRESSLY CONSENT TO PERSONAL JURISDICTION IN THE STATE OF COLORADO AND AGREE THAT SUCH COURT(S) WILL HAVE EXCLUSIVE JURISDICTION OVER ANY DETERMINATION OF THE "PREVAILING PARTY" IN ACCORDANCE WITH SUCH ISSUES NOT SUBJECT TO ARBITRATION.

21.4 Arbitration Procedures. A single arbitrator shall be selected by the parties from a panel of neutral arbitrators provided by the American Arbitration Association and shall be chosen by the striking method. Subject to the provisions contained in Section 21.11, the parties each shall bear all of their own costs of arbitration; however, the fees of the arbitrator shall be divided equally between the parties. The arbitrator shall have no authority to amend or modify the terms of this Agreement. The award or decision by the arbitrator shall be final and binding on the parties and may be enforced by judgment or order of a court having subject matter jurisdiction in the state where the arbitration took place. The parties consent to the exercise of personal jurisdiction over them by such court and to the propriety of venue of such court for the purpose of carrying out this provision; and they waive any objections that they would otherwise have concerning such matters. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between Franchisor and Franchisee or any Person in Privity with or claiming through, in the right of or on behalf of Franchisee or Franchisor.

21.5 MUTUAL WAIVER OF JURY TRIAL. **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES EACH WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, ARISING FROM THIS AGREEMENT OR ANY BUSINESS, ACTIVITIES, OR OPERATIONS UNDERTAKEN PURSUANT TO THIS AGREEMENT.**

21.6 MUTUAL WAIVER OF PUNITIVE DAMAGES. **THE PARTIES EACH WAIVE ANY RIGHT TO OR CLAIM OF PUNITIVE, EXEMPLARY, MULTIPLE, OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER IN LITIGATION OR ARBITRATION AND AGREE TO BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED, EXCEPT FOR SUCH PUNITIVE OR EXEMPLARY DAMAGES FOR VIOLATION OF THE LANHAM ACT, TRADEMARK INFRINGEMENT OR DILUTION, UNAUTHORIZED DISSEMINATION OF THE CONFIDENTIAL INFORMATION OR TRADE SECRETS, OR ARISING UNDER THE INDEMNIFICATION SET OUT IN SECTION 13.**

21.7 MUTUAL WAIVER OF CLASS OR COLLECTIVE ACTIONS. **THE PARTIES EACH WAIVE ANY RIGHT TO BRING ANY CLAIMS ON A CLASS-WIDE OR GROUP, REPRESENTATIVE, CONSOLIDATED, JOINT, OR COLLECTIVE BASIS. EACH PARTY MUST BRING ANY CLAIMS AGAINST THE OTHER PARTY ON AN INDIVIDUAL BASIS AND MAY NOT JOIN ANY CLAIM IT MAY HAVE WITH CLAIMS OF ANY OTHER PERSON OR ENTITY OR OTHERWISE PARTICIPATE IN A CLASS OR COLLECTIVE ACTION AGAINST THE OTHER PARTY.**

21.8 One-Year Limitation on Claims. Except for payments owed by one party to the other, and unless prohibited by Applicable Laws, any legal action or arbitration proceeding brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of one year from the date of discovery of the conduct or event that forms the basis of the legal action or proceeding.

21.9 Remedies Not Exclusive. The rights of the parties hereto are cumulative and no exercise or enforcement by a party of any right or remedy hereunder shall preclude the exercise or enforcement by that party of any other right or remedy herein contained, or to which it is entitled by law.

21.10 Franchisor's Right to Injunctive Relief. Nothing herein shall prevent Franchisor or Franchisee from seeking injunctive relief to prevent irreparable harm, in addition to all other remedies. If it is necessary for Franchisor to seek preliminary or permanent injunctive relief, Franchisor may do so without a bond.

21.11 Attorneys' Fees and Expenses. If either party institutes a legal proceeding, including court proceedings or arbitration, and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to any judgment, reasonable attorneys' fees, court costs and all of the prevailing party's expenses in connection with any action at law. Franchisee shall reimburse Franchisor for all expenses that Franchisor reasonably incurs (including attorneys' fees) to enforce the terms of this Agreement or any obligation owed to Franchisor by Franchisee or its owners.

22. MISCELLANEOUS

22.1 Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other applicable federal law, this Agreement shall be interpreted under the laws of the State of Colorado, and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the State of Colorado, which laws shall prevail in the event of any conflict of law; provided, however, the parties expressly agree that this Agreement is not intended to confer on any Franchisee, if it is not a resident of the State of Colorado, the benefit of any Colorado law providing specific protection to franchisees residing or operating in the State of Colorado.

22.2 Severability. All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein; all partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable.

22.3 Waivers and Course of Dealing. No failure, forbearance, neglect or delay of any kind on the part of Franchisor in connection with the enforcement or exercise of any rights under this Agreement shall affect or diminish Franchisor's right to strictly enforce and take full benefit of each provision of this Agreement at any time, whether at law for damages, in equity for injunctive relief or specific performance, or otherwise. No custom, usage or practice with regard to this Agreement by Franchisee or Franchisor's other franchisees shall preclude the strict enforcement of this Agreement in accordance with its literal terms. No waiver by Franchisor of performance of any provision of this Agreement shall constitute or be implied as a waiver of Franchisor's right to enforce that provision at any future time. No interpretation, change, termination or waiver of any provision of this Agreement, and no consent or approval under this Agreement, shall be binding upon Franchisee or Franchisor or effective unless in writing signed by Franchisee and Franchisor's CEO, President or Vice President, except that a waiver need be signed only by the party waiving.

22.4 Entire Agreement. This Agreement, together with the FDD, Operations Manual, any written related agreements, all Exhibits, Attachments and the State Addenda attached to the FDD as **Exhibit E**, constitutes the entire understanding and agreement between Franchisee and Franchisor and supersedes all prior understandings, whether oral or written, pertaining to this Agreement, the License, the System or the Franchised Business. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the FDD.

22.5 Headings and Construction. The headings of the sections hereof are for convenience only and do not define, limit or construe the contents of the sections of such Sections or other Sections. The term "**Franchisee**" as used herein is applicable to one or more persons, a corporation, limited liability company, a partnership or other business entity, as the case may be, and the singular usage (where applicable) includes the plural and the masculine and neuter usages (where applicable) include the other and the feminine. The words "**include**," "**including**," and words of similar import shall be interpreted to mean "including, but not limited to" and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter.

22.6 Calculation of Dates and Timing. When calculating the date upon which or the time within which any act is to be done pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded; if the last day of such period is a non-business day, the period in question shall end on the next business day. Time shall be of the essence of this Agreement and of every part thereof.

22.7 Force Majeure. Neither party hereto shall be liable for any loss or damage due to any delay in the due performance of the terms hereof (except for the payment of money) by reason of strikes, riots, civil disorder, wars, fires, natural catastrophes, or other similar events beyond its control ("**Force Majeure Event**"). Any such delay shall extend performance only so long as such event is in progress except such Force Majeure Event will not affect or change Franchisee's obligation to pay any monies due to Franchisor when such amounts are due.

22.8 Execution of Other Documents; Power of Attorney. Franchisee shall execute and deliver such further instruments, contracts, forms and other documents, and shall perform such further acts, as may be necessary or desirable, to carry out, complete and perform all terms, covenants and obligations herein contained. Franchisee hereby irrevocably appoints Franchisor as his attorney, which appointment is coupled with an interest, and hereby empowers it to execute such instruments regarding the Marks for and in Franchisee's name in order to give full effect to Sections 11, 13, 16 and 18 of this Agreement. Franchisee hereby declares that the power of attorney herein granted may be exercised during any subsequent legal incapacity on its part.

22.9 Successors and Assigns. This Agreement shall be binding upon, and subject to Section 16 hereof, shall inure to the benefit of, Franchisor's and Franchisee's successors and permitted assigns.

22.10 Amendments. This Agreement may only be modified or amended by a written document executed by Franchisee and Franchisor. Franchisee acknowledges that Franchisor may modify its standards and specifications and operating and marketing techniques set forth in the Operations Manual unilaterally under any conditions and to the extent in which Franchisor, in its sole discretion, deems necessary to protect, promote or improve the Marks, and the quality of the System, but under no circumstances will such modifications be made arbitrarily without such determination. Notwithstanding anything herein to the contrary, Franchisor shall have the right unilaterally to temporarily or permanently reduce the scope of any covenants of Franchisee contained in this Agreement upon notice to Franchisee, whereupon Franchisee shall comply with such modified covenants.

22.11 Delegation of Performance. From time to time, Franchisor shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are agents of Franchisor or independent contractors which Franchisor has contracted with to provide such services. Franchisee agrees in advance to any such delegation by Franchisor of any portion or all of its obligations and duties hereunder.

22.12 Effectiveness of Agreement. This entire Agreement, including corrections, changes, and all attachments and addenda, will only be binding upon Franchisor when executed or initialed by Franchisor's authorized representative.

22.13 Survival. All obligations of the parties hereto which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect notwithstanding such expiration or termination. In particular, but without limiting the generality of the foregoing, the provisions of Articles 11, 13, 15, 17, and 18 of this Agreement shall survive termination or expiration of this Agreement.

23. ACKNOWLEDGEMENTS

23.1 Timely Receipt and Review of Agreement and Disclosure Document. Franchisee received a FDD required by Applicable Laws, including a form of this Agreement, at least 14 calendar days (or such longer time period as required by applicable state law) before Franchisee executed this Agreement or any related agreements or paid any consideration to Franchisor. If Franchisor made any unilateral and material changes to the terms and conditions of the form of this Agreement that was included in the FDD (other than changes that arose out of negotiations that Franchisee initiated), Franchisee received a revised copy of this Agreement that included such changes and was informed of any material differences between this Agreement and the form included in the FDD at least seven calendar days before Franchisee executed this Agreement or any related agreements or paid any consideration to Franchisor.

23.2 Acknowledgements in Certain States. The following acknowledgements apply to all franchisees and Franchised Businesses, except those that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

(a) No Reliance on Other Representations. No statement, representation or other act, event or communication, except as set forth in this Agreement and in the FDD provided to Franchisee by Franchisor, is binding on Franchisor in connection with the subject matter of this Agreement. Franchisee agrees and acknowledges that it has not been induced to enter into this Agreement in reliance upon, nor as a result of, any statements, representations, warranties, conditions, covenants, promises or inducements, whatsoever, whether oral or written, and whether directly related to the contents hereof or collateral thereto, made by Franchisor, its officers, directors, agents, employees, or contractors except as provided herein.

(b) Opportunity to Review Agreement. Franchisee acknowledges that it has received, has had ample time to read, and has read this Agreement, and all related agreements with Franchisor. Franchisee acknowledges that Franchisor has advised it to obtain independent legal and accounting advice with respect to this Agreement and the transactions arising out of this Agreement. Franchisee further acknowledges that it has had an adequate opportunity to be advised by legal, accounting, and other professional advisors of its own choosing regarding all pertinent aspects of the Franchised Business, Franchisor, and this Agreement.

(c) Independent Investigation. Franchisee has conducted an independent investigation of the system and recognizes that the Franchised Business venture contemplated by this Agreement and its success involves substantial business risk and will be largely dependent upon the ability of franchisee as an independent business person and its active participation in the daily affairs of the Franchised Business. Franchisee hereby assumes the responsibility for its success or failure of the Franchised Business.

(d) No Financial Performance Representations. Except as otherwise set forth in the FDD, Franchisor has not provided any statement, representation or other act, event or communication of actual, average, projected, forecasted or potential purchases, sale, cost, earnings, income or profits to Franchisee.

(e) Disclaimer of Warranties. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any assurance, warranty or guarantee, expressed or implied, as to the potential volume, profits, earnings or success of the Franchised Business contemplated by this Agreement.

23.3 No Waiver or Disclaimer of Reliance in Certain States. The following provision applies only to franchisees and Franchised Businesses that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written below.

SAFESPLASH BRANDS, LLC d/b/a STREAMLINE BRANDS

____

By: _______________________________

Title: ______________________________

Date (which shall be the "**Effective Date**" of this Agreement): __________________________

FRANCHISEE:

By: _______________________________

Date: ______________________________

____
Individually

OR:
(if a corporation or partnership)

____
Company Name

____

By: _______________________________

Title: ______________________________

Date: ______________________________

ATTACHMENT A
TO FRANCHISE AGREEMENT

TERRITORY AND INITIAL FRANCHISE FEE

1. **Swim Facility.** The business address for the approved Swim Facility is:

____

2. **Format Type.** The Swim Facility shall be a:

[ ] Dedicated Location: a radius of five (5) miles from the above location of the Swim Facility

[ ] Hosted Location: a radius of two and one (2½) miles from the above location of the Swim Facility

3. **Status of Business.** The Swim Facility is:

[ ] A new SafeSplash Business that is not a pre-existing business

[ ] An existing SafeSplash Business

[ ] A Conversion Location

4. **Territory.**

The Territory shall be:

[ ] Dedicated Location: a radius of five (5) miles from the above location of the Swim Facility

[ ] Hosted Location: a radius of two and one (2½) miles from the above location of the Swim Facility

3. **Optional SwimLabs® Technology Package**. In the event Franchisee is purchasing the right to operate a Dedicated Location and wishes to purchase the SwimLabs Technology Package, please indicate below:

[ ] Optional SwimLabs Technology Package for Ten Thousand Dollars ($10,000.00)

4. **Initial Franchise Fee.** Franchisee shall pay to Franchisor an Initial Franchise Fee equal to:

[ ] $55,000 for a Dedicated Location

[ ] $37,500 for a Hosted Location

[ ] $27,500 for a Dedicated Location that is also a Conversion Location

[ ] $18,750 for a Hosted Location that is also a Conversion Location

[ ] $0, because the applicable Initial Franchise Fee for this Swim Facility has already been paid in conjunction with an Area Development Agreement between Franchisor and Franchisee or its Affiliate

plus, if applicable, all federal, state or municipal taxes due and payable at the time of execution of the Agreement.

6. **Required Opening Date**. Franchisee will open the Swim Facility on or before the following date: ______________________________.

FRANCHISOR:	**FRANCHISEE:**
SAFESPLASH BRANDS, LLC **d/b/a STREAMLINE BRANDS**	**NAME:** ______________________________
______________________________________	______________________________________
By: __________________________________	By: __________________________________
Title: ________________________________	Title: ________________________________

ATTACHMENT B
TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Franchise Agreement, and any revisions, modifications, addenda, and amendments thereto (hereinafter collectively the "**Agreement**") executed on the Effective Date by and between SafeSplash Brands, LLC d/b/a Streamline Brands ("**Franchisor**") and ______________________________ ("**Franchisee**"), each of the undersigned hereby personally and unconditionally:

1. Guarantees to Franchisor and its successors and assigns, for the Term, including all Interim Periods and Successor Terms thereof, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and

2. Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, including but not limited to, the terms of Section 15.

Each of the undersigned waives the following:

1. Acceptance and notice of acceptance by Franchisor of the foregoing undertaking;

2. Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;

3. Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

4. Any right he or she may have to require that any action be brought against Franchisee or any other person as a condition of liability; and

5. Any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

6. His or her direct and immediate liability under this guaranty shall be joint and several;

7. He or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;

8. Such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person;

9. Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including without limitation, the acceptance of any partial

payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the Term, including renewals thereof; and

10. This Agreement shall be enforceable by and against his or her respective administrators, executors, successors and assigns, and his or her death shall not terminate his or her liability or limit his or her liability hereunder.

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

GUARANTOR(S):

____

By: ___________________________

Date: __________________________ (which shall be the "**Effective Date**" of this Agreement)

____

By: ___________________________

Date: __________________________

ATTACHMENT C
TO FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

Franchisee: ____

Trade Name (if different from above): ____

Form of Ownership
(Check One)

____ **Individual** ____ **Partnership** ____ **Corporation** ____ **Limited Liability Company**

If a **Partnership**, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a **Corporation**, give the state and date of incorporation, the names and addresses of each officer and director and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a **Limited Liability Company**, give the state and date of formation, the name and address of the manager(s) and list the names and addresses of every member and the percentage of membership interest held by each member.

STATE OF FORMATION:_______________ **DATE OF FORMATION:**_______

NAME OF SHAREHOLDER	ADDRESS	OWNERSHIP PERCENTAGE

Franchisee acknowledges that this Statement of Ownership applies to the Franchised Business authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to Franchisor in writing.

FRANCHISEE:

____

By: _________________________________

Title: ________________________________

Date: ________________________________

ATTACHMENT D
TO FRANCHISE AGREEMENT

BY AND BETWEEN SAFESPLASH BRANDS, LLC d/b/a STREAMLINE BRANDS
AND
____ ("FRANCHISEE")

EFT AUTHORIZATION AGREEMENT
(DIRECT DEBITS)

The undersigned depositor ("**Depositor**") hereby authorizes SafeSplash Brands, LLC d/b/a Streamline Brands ("**Company**") to initiate credit and debit entries and / or credit and debit correction entries to the undersigned's checking and / or savings account(s) indicated below and the depository designated below ("**Depository**") to debit such account pursuant to Company's instructions.

__________________________________	__________________________________
Depository	Branch
__________________________________	__________________________________
Address	City, State, Zip Code
__________________________________	__________________________________
Bank Transit / ABA Number	Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Company and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity on which to act. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) forty-five (45) days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

Depositor:____________________________

____

By: __________________________________

Title: ________________________________

Date: ________________________________

ATTACHMENT E
TO FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS AND TELEPHONE LISTINGS AND INTERNET ADDRESSES

THIS ASSIGNMENT is entered into on the Effective Date (as defined below), in accordance with the terms of the SafeSplash Brands, LLC d/b/a Streamline Brands Franchise Agreement ("**Franchise Agreement**") between____________________________________ ("**Franchisee**") and SafeSplash Brands, LLC d/b/a Streamline Brands ("**Franchisor**"), executed concurrently with this Assignment, under which Franchisor granted Franchisee the right to own and operate a SafeSplash franchised business ("**Franchised Business**") located at ____________________________________.

FOR VALUE RECEIVED, Franchisee hereby assigns to Franchisor (1) those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the "**Telephone Numbers and Listings**") and (2) those certain Internet website addresses ("**URLs**") associated with Franchisor's trade and service marks and used from time to time in connection with the operation of the Franchised Business at the address provided above. This Assignment is for collateral purposes only and, except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify the telephone company and / or the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as "**Telephone Company**") and / or Franchisee's Internet service provider ("**ISP**") to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Franchise Agreement (without extension), Franchisor shall have the right and is hereby empowered to effectuate the assignment of the Telephone Numbers and Listings and the URLs, and, in such event, Franchisee shall have no further right, title or interest in the Telephone Numbers and Listings and the URLs, and shall remain liable to the Telephone Company and the ISP for all past due fees owing to the Telephone Company and the ISP on or before the effective date of the assignment hereunder.

Franchisee agrees and acknowledges that as between Franchisor and Franchisee, upon termination or expiration of the Franchise Agreement, Franchisor shall have the sole right to and interest in the Telephone Numbers and Listings and the URLs, and Franchisee irrevocably appoints Franchisor as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest, to direct the Telephone Company and the ISP to assign same to Franchisor, and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee shall immediately notify the Telephone Company and the ISP to assign the Telephone Numbers and Listings and the URLs to Franchisor. If Franchisee fails to promptly direct the Telephone Company and the ISP to assign the Telephone Numbers and Listings and the URLs to Franchisor, Franchisor shall direct the Telephone Company and the ISP to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Telephone Company and the ISP may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Telephone Numbers and Listings and the URLs upon such termination or expiration and that such assignment shall be made automatically and effective immediately upon Telephone Company's and ISP's receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Telephone Company or the ISP requires that the parties execute the Telephone Company's or the ISP's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

ASSIGNEE:	**ASSIGNOR:**
SAFESPLASH BRANDS, LLC **d/b/a STREAMLINE BRANDS**	**NAME: ______________________________**
______________________________	______________________________
By: ______________________________	By: ______________________________
Its: ______________________________	Its: ______________________________

Date: ______________________________
(which shall be the "**Effective Date**" of this Assignment)

ATTACHMENT F
TO FRANCHISE AGREEMENT

LEASE ADDENDUM

This Addendum to Lease ("**Addendum**"), dated _______________, is entered into by and between __________________ ("**Lessor**"), and __________________ ("**Lessee**"). In the event of any contradiction or inconsistency between the terms and provisions of this Addendum and the terms and provisions of the Lease to which it is attached, the terms and provisions of this Addendum shall control and be interpreted in such a manner as to override any provision of the Lease which would prevent the spirit and letter of the terms and provisions of this Addendum from being given full force and effect. All defined terms not specifically defined in this Addendum shall be given the same meaning as the defined terms in the Lease.

A. The parties hereto have entered into a certain Lease Agreement ("**Lease**"), dated _________, and pertaining to the premises located at ________________ ("**Premises**").

B. Lessor acknowledges that Lessee intends to operate a SafeSplash Swim School franchise from the leased Premises pursuant to a Franchise Agreement ("**Franchise Agreement**") with SafeSplash Brands, LLC d/b/a Streamline Brands ("**Franchisor**") under the name "SAFESPLASH SWIM SCHOOL®," or other name designated by Franchisor (herein referred to as "**Franchised Business**").

C. The parties now desire to amend the Lease in accordance with the terms and conditions contained herein.

NOW, THEREFORE, it is hereby mutually covenanted and agreed between Lessor and Lessee as follows:

1. <u>Remodeling and Decor</u>. Lessor agrees that Lessee shall have the right to remodel, equip, paint and decorate the interior of the Premises and to display the proprietary marks and signs on the interior and exterior of the Premises as Lessee is reasonably required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which Lessee may operate a Franchised Business on the Premises. Lessor's consent shall not be required for non-structural or non-mechanical alterations, additions or changes to the Premises. Lessee may close its business once every five (5) years for a reasonable time to refurbish and redecorate the Premises.

2. <u>Assignment or Subletting</u>. Lessee shall agree to attorn to any assignee of Lessor provided such assignee will agree not to disturb Lessee's possession of Premises. Lessee shall have the right to assign or sublet all of its right, title and interest in the Lease, at any time during the term of the Lease, including any extensions or renewals thereof, without charge and without first obtaining Lessor's consent in accordance with the Collateral Assignment of Lease attached hereto as **Attachment F-1**: (a) to Franchisor or Franchisor's parent, subsidiary or affiliate, (b) to a duly authorized franchisee of Franchisor, (c) in connection with a merger, acquisition, reorganization or consolidation or (d) in connection with the sale of Lessee's corporate stock or assets. However, no assignment or sublease shall be effective until such time as Franchisor or its

designated affiliate gives Lessor written notice of its acceptance of the assignment, and nothing contained herein or in any other document shall constitute Franchisor or its designated subsidiary or affiliate a party to the Lease, or guarantor thereof, and shall not create any liability or obligation of Franchisor or Franchisor's parent, subsidiary or affiliate unless and until the Lease is assigned or sublet to, and accepted in writing by, Franchisor or Franchisor's parent, subsidiary or affiliate. Franchisor shall have the right to reassign or sublease the Lease to another franchisee without the Lessor's consent in accordance with Section 4(a). Lessor understands and agrees that, in connection with Lessee's assignment or subletting of the Lease to a duly authorized franchisee of Franchisor, Franchisor shall be permitted to charge "additional rent" or "percentage rent" or other charges to its franchisee as part of its regular plan of franchising, and Lessor shall not be entitled to any consideration or additional rent as a result of any fees paid to Franchisor by franchisee pursuant to the Lease or otherwise.

3. Default and Notice.

(a) In the event there is a default or violation by Lessee under the terms of the Lease, Lessor shall give Lessee and Franchisor written notice of the default or violation within a reasonable time after Lessor receives knowledge of its occurrence. If Lessor gives Lessee a default notice, Lessor shall contemporaneously give Franchisor a copy of the notice. Franchisor shall have the right, but not the obligation, to take an automatic assignment of Lessee's interest as provided in Paragraph 4(a).

(b) All notices to Franchisor shall be sent by registered or certified mail, postage prepaid, or by a recognized overnight courier or delivery services to the following address:

SafeSplash Brands, LLC d/b/a Streamline Brands
12240 Lioness Way
Parker, Colorado 80134
Attention: Legal Department

With a copy to:
Email Address: legalsupport@yeb.com

Franchisor may change its address for receiving notices by giving Lessor written notice of the new address. Lessor agrees that it will notify both Lessee and Franchisor of any change in Lessor's mailing address to which notices should be sent.

4. Termination or Expiration.

(a) Upon Lessee's default and failure to cure the default within the applicable cure period, if any, under either the Lease or the Franchise Agreement, Franchisor will, at its option, have the right, but not the obligation, to take an automatic assignment of Lessee's interest and at any time thereafter to re-assign or sublet the Lease to a new franchisee without Lessor's consent and to be fully released from any and all liability to Lessor upon the reassignment, provided Franchisee agrees to assume the Lease.

(b) Upon the expiration or termination of either the Lease or the Franchise Agreement, Lessor will cooperate with and assist Franchisor in securing possession of the Premises and if Franchisor does not elect to take an assignment of the Lessee's interest, Lessor will allow Lessee (and, at Franchisor's option, Franchisor) to enter the Premises within thirty (30) days of such expiration or termination, without being guilty of trespass and without incurring any liability to Lessor, to remove all signs and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the "SafeSplash Swim School®" marks and system, and to distinguish the Premises from a Franchised Business. In the event Franchisor exercises its option to purchase assets of Lessee, Lessor shall permit Franchisor to remove all the assets being purchased by Franchisor.

5. Consideration; No Liability.

(a) Lessor hereby acknowledges that the provisions of this Addendum to Lease are required pursuant to the Franchise Agreement under which Lessee plans to operate its Franchised Business and Lessee would not lease the Premises without this Addendum. Lessor also hereby consents to the Collateral Assignment of Lease from Lessee to Franchisor as evidenced by **Attachment F-1**.

(b) Lessor further acknowledges that Lessee is not an agent or employee of Franchisor and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor, and that Lessor has entered into this Addendum to Lease with full understanding that it creates no duties, obligations or liabilities of or against Franchisor or any affiliate of Franchisor.

6. Inspection. Lessor acknowledges that the Franchise Agreement grants Franchisor the right of inspection of Lessee's Premises, and Lessor agrees to cooperate with Franchisor's efforts to enforce Franchisor's inspection rights.

7. Amendments. No amendment or variation of the terms of the Lease or this Addendum to the Lease shall be valid unless made in writing and signed by the parties hereto. Neither Lessor or Lessee may alter or limit any provisions of this Addendum without first obtaining Franchisor's written consent, which consent may be withheld or conditioned by Franchisor in its sole and absolute discretion. Any such modification or amendment made without Franchisor's consent shall not be valid or binding against Franchisor or its assignee.

8. Reaffirmation of Lease. Except as amended or modified herein, all of the terms, conditions and covenants of the Lease shall remain in full force and effect and are incorporated herein by reference and made a part of this Agreement as though copies herein in full.

9. Beneficiaries. Lessor and Lessee expressly agree that Franchisor, its successors, and its assigns are third-party beneficiaries of this Addendum.

IN TESTIMONY WHEREOF, witness the signatures of the parties hereto as of the day, month and year first written above.

LESSOR:	**LESSEE:**
______________________________	______________________________
By: ____________________________	By: ____________________________
Title: __________________________	Title: __________________________

ATTACHMENT F-1
TO FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, as of______________ ("**Effective Date**"), the undersigned, __________________________________ ("**Assignor**"), hereby assigns, transfers and sets over unto SafeSplash Brands, LLC d/b/a Streamline Brands ("**Assignee**") all of Assignor's right, title and interest as Lessee, in, to and under that certain lease, a copy of which is attached hereto as **Exhibit A** ("**Lease**") with respect to the premises located at ______________________ ("**Premises**"). This Collateral Assignment of Lease ("**Assignment**") is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee shall take possession of the Premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the Premises demised thereby.

Upon a default by Assignor under the Lease or under that certain franchise agreement ("**Franchise Agreement**") for a SafeSplash franchised business between Assignee and Assignor, or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the Premises demised by the Lease, expel Assignor therefrom, and, in that event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Through the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day that said option must be exercised, unless Assignee otherwise agrees or instructs in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

[Signatures on following page]

IN WITNESS WHEREOF, Assignor and Assignee have signed this Collateral Assignment of Lease as of the Effective Date first above written.

ASSIGNOR:

____

By: ______________________________________
Its: ______________________________________

ASSIGNEE:

SAFESPLASH BRANDS, LLC
d/b/a STREAMLINE BRANDS,
a Colorado limited liability company

By: ______________________________________
Its: ______________________________________

EXHIBIT A

LEASE
With Respect to Premises Located at:

____

(To Be Attached)

ATTACHMENT G
TO FRANCHISE AGREEMENT

HOSTED LOCATION ADDENDUM

This Addendum to the Franchise Agreement ("**Addendum**") is made and entered into on the Effective Date (as defined below), by and between SafeSplash Brands, LLC d/b/a Streamline Brands, a Colorado limited liability company (the "**Franchisor**"), and ______________________ ____ , a ____ ("**Franchisee**").

BACKGROUND

A. Franchisor and Franchisee have entered into that certain Franchise Agreement, dated as of the date hereof ("**Franchise Agreement**"), pursuant to which Franchisee will operate a Franchised Business at the location described in Attachment A to the Franchise Agreement (the "**Hosted Location**"), which is owned or controlled by _______________ ("**Host**"**)**.

B. Host has agreed to permit Franchisee to operate its Franchised Business at the Hosted Location pursuant to a lease or license agreement between Host and Franchisor or, in some cases, between Host and Franchisee (the "**Host Agreement**").

C. Franchisor and Franchisee desire to amend the terms of the Franchise Agreement by incorporating the terms of this Addendum into the Franchise Agreement.

AGREEMENT

1. Definitions. Capitalized terms used and not defined in this Addendum shall have the meanings assigned to them in the Franchise Agreement.

2. Construction. Section 9.2 (Swim Facility Development and Maintenance) of the Franchise Agreement is deleted in its entirety.

3. Host Agreement.

   a. Arranged by Franchisor. If Franchisor has entered into, or intends to enter into, the Host Agreement with the Host, Franchisor will provide Franchisee with a copy of the Host Agreement, and Franchisee agrees to sign an addendum ("**Franchisee Addendum**") with Host if required. As provided in Section 6.4 of the Franchise Agreement, Franchisee will be required to pay Franchisor the Hosted Location Fee relating to Franchisee's use of the Hosted Location.

   b. Arranged by Franchisee. If Franchisor has not negotiated an arrangement with the Host, Franchisee shall submit proposals regarding the location of the Hosted Location to Franchisor within 90 days of the execution of the Franchise Agreement or Franchisor may elect to terminate the Franchise Agreement in Franchisor's sole discretion. Franchisee must deliver to Franchisor a copy of the proposed Host

Agreement and any other information Franchisor may request about the Host and the proposed Host Location. Franchisor will have 30 days after Franchisor receives this information and materials to accept or reject the proposed site and Host Agreement. If Franchisor does not accept or reject the proposed site and Host Agreement within such 30 days, the site and agreement will be deemed rejected. If Franchisor accepts the proposed site and Host Agreement, Franchisor's acceptance will remain in effect for a maximum of 60 days. Franchisee must enter into such accepted Host Agreement within such 60-day period and provide an executed copy of the agreement to Franchisor. Notwithstanding anything herein to the contrary, Franchisor may, in its sole discretion, extend the time periods set forth in this Section 3.b.

c. Compliance with Host Agreement. Franchisee's operation of the Franchised Business is subject to, and must be compliant with, the terms and conditions of the Host Agreement, and Franchisee must obtain any insurance policies and limits within the Host Agreement or as required and determined by Host and/or Franchisor, including, but not limited to, adding Host and Franchisor as additional insureds specific to Franchisee's General Liability and Abusive Conduct Liability policies. The terms and conditions of the Host Agreement, including all exhibits, amendments, schedules and addenda thereto, are incorporated by reference into the Franchise Agreement. Franchisee and Franchisor shall promptly provide the other party with copies of any default, termination, or non-renewal notices that the receiving party receives from the Host. Franchisee acknowledges that it shall indemnify, defend, and hold harmless the Indemnified Parties in accordance with Section 13.2 of the Franchise Agreement if it breaches, or causes Franchisor, to breach any Host Agreement.

d. Indemnification. Franchisee shall, during the Term and after the termination or expiration of this Agreement, indemnify, defend, and hold harmless Host, Franchisor, its Affiliates, and its and their respective officers, directors, managers, members and employees (collectively, the "**Indemnified Parties**") against, and reimburse them for, all claims, demands, losses, damages (including punitive damages), costs, suits, judgments, penalties, expenses (including reasonable attorneys' fees, amounts paid in settlement or compromise, investigation costs, witness fees, arbitration or mediation expenses, and travel and living expenses) and liabilities of any kind, whether or not ultimately determined to be meritorious and regardless of whether litigation, arbitration, or alternative dispute resolution is commenced (and including damages suffered by Franchisee or any of its property) (collectively, "**Damages**") that directly or indirectly arise out of or relate to:

   i. a breach by Franchisee, its owners, or its Affiliates of (i) the Host Agreement, (ii) the Franchisee Addendum, or (iii) any other agreement between Franchisee, its owners, or its Affiliates and any Indemnified Parties;

ii. the operation of the Franchised Business, including any injury to, or loss of property of, any person in, or on, the Hosted Location or any other premises used by Franchisee to operate the Franchised Business; and

iii. any negligent or willful act or omission of Franchisee, its officers, directors, managers, members, partners, employees, agents, servants, contractors or others for whom it is, in law, responsible.

e. Modifications, Renewals, and Terminations. If Franchisee is a party to the Host Agreement, Franchisee may not modify, renew, elect not to renew, or terminate the Host Agreement without Franchisor's prior written consent. If the Host Agreement is terminated as a result of Franchisee's default, or causing Franchisor to default, under a Host Agreement, Franchisor shall have the right to terminate the Franchise Agreement. If the Host Agreement is terminated or expires for any other reason, Franchisee must begin operating at a new Hosted Location that has been accepted by Franchisor in writing in accordance with the terms of this Addendum within six months from the date of such expiration or termination of the original Host Agreement.

4. Addendum Binding. This Addendum will be binding upon and inure to the benefit of each party and to each party's respective successors and assigns.

5. No Further Changes. Except as specifically provided in this Addendum, all of the terms, conditions and provisions of the Franchise Agreement will remain in full force and effect as originally written and signed.

[*Signature Page to Follow*]

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed this Addendum as of the date first above written.

FRANCHISOR:	**FRANCHISEE:**
SAFESPLASH BRANDS, LLC **d/b/a STREAMLINE BRANDS**	**NAME:** ______________________________
______________________________________	______________________________________
By: __________________________________	By: __________________________________
Title: ________________________________	Title: ________________________________
Date:_________________________________ (which shall be the "**Effective Date**") of this Addendum	Date:_________________________________

ATTACHMENT H
TO FRANCHISE AGREEMENT

SBA ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _________________, 20____, by and between ____(“Franchisor”), located at ____, and ____ (“Franchisee”), located at ____.

Franchisor and Franchisee entered into a Franchise Agreement on ________________, 20___, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U.S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the Franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

COVENANTS

- If the Franchisee owns the real estate where the Franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 3733.

Authorized Representative of FRANCHISOR:

By: ________________________________
Print Name: _________________________
Title:_______________________________

Authorized Representative of FRANCHISEE:

By: ________________________________
Print Name: _________________________
Title:_______________________________

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the (type of agreement) system must meet all SBA eligibility requirements.

ATTACHMENT I
TO FRANCHISE AGREEMENT

ENHANCED SERVICES ADDENDUM TO THE FRANCHISE AGREEMENT

This Addendum Services Addendum to the Franchise Agreement ("**Addendum**") is entered into on __________________________ ("**Effective Date**"), by and between SafeSplash Brands, LLC d/b/a Streamline Brands, a Colorado limited liability company ("**Franchisor**"), located at 12240 Lioness Way, Parker, Colorado 80134, and _____________________________ located at ______________________________________ ("**Franchisee**").

WHEREAS, Franchisor and Franchisee have entered into that certain SafeSplash Brands, LLC d/b/a Streamline Brands Franchise Agreement dated _____________________ ("**Franchise Agreement**");

WHEREAS, pursuant to the Franchise Agreement, Franchisor has granted Franchisee the right to operate a business which offers "learn to swim" programs for children and adults, birthday parties, camps, other swimming-related activities and the sale of related products ("**Franchised Business**");

WHEREAS, Franchisee desires to have Franchisor provide enhanced administrative services to the Franchised Business including call center services, billing services, registration and billing software, and productivity software ("**Enhanced Services**"); and

WHEREAS, Franchisor agrees to provide Enhanced Services to the Franchised Business in accordance with the terms and conditions of this Agreement; and

WHEREAS, Franchisor and Franchisee desire to amend the terms of the Franchise Agreement by incorporating the terms of this Addendum into the Franchise Agreement.

NOW, WHEREFORE, the Franchisor and Franchisee hereby agree as follows, intending to be bound hereby:

1. Definitions. Capitalized terms used and not defined in this Agreement will have the meanings set forth in the Franchise Agreement.

2. Enhanced Services. During the Term of the Franchise Agreement, Franchisor agrees to provide, through an Affiliate of Franchisor or a third-party designee of Franchisor, the following Enhanced Services to the Franchised Business:

- Call Center Services: Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will answer inbound phone calls and respond to client inquiries about all services offered, level selection, account set up and class enrollment, class scheduling and rescheduling, billing invoice review, account and enrollment updates, and all other requests and inquires as authorized by Franchisor (collectively, "**Call Center Services**"). Responses and resolution will be unique based on location specific and published guidelines. If follow up is needed, the call center will initiate outbound calls and or email to close the client inquiry on behalf of Franchisor. Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will support both proactive and reactive new customer enrollment. Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will answer all emails received via more information inquires. These emails may originate from the location website or "contact us" option. Email assistance includes responding to all customer inquiries as noted above for calls. Email engagement includes back and forth communication with customers until the inquiry is closed. Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will answer all chats from customers. Chats will be both proactive and/or manual in origination. Chat representatives will respond to all client inquires as noted for calls and email. Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will provide Spanish language services for both calls and emails.

- Billing Services: Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will complete billing for all accounts multiple times each month (collectively, "**Billing Services**"). Billing Services includes processing of classes charges, fees, and credits via credit and debit cards. Cash or check transactions will be managed by Franchisee and will be reported to Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor on a monthly basis. Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will follow up on all uncollected funds due to credit card refusals. Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will contact customers to resolve balances. Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will restrict clients from booking classes if payment is not collected. Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will work on all disputed charges and respond to chargeback documentation requests to prove accuracy of charges and to attempt to mitigate Franchisee's losses.

- School Operating and Management Software: Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will provide access to the School Operating and Management Software specified in Section 9.10 of the Franchise Agreement. Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will define the initial configuration of the software based on brand-specific standards and create an account on Franchisee's behalf based on these standards. Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will monitor, manage, and maintain the software configuration, as needed. Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will provide training for the system via a comprehensive, up-to-date video training library. Software systems support is provided during the dates and times, and via the methods, established by the specified software provider.

- Productivity Software: Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will provide access to franchisee to productivity software that Franchisor specifies, which currently includes web-based productivity applications, a branded email address, cloud storage, as well as chat-based communication and collaboration tools. Franchisor may modify the productivity software and its functionality in its sole discretion. Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will manage access to and maintain the configuration of this platform, as needed. Franchisor, an Affiliate of Franchisor, or a third-party designee of Franchisor will provide support for this platform, available via email at help@streamlinebrands.com, Monday through Friday, 8:00 a.m. to 5:00 p.m. MT.

3. Enhanced Services Fee. In consideration of the Enhanced Services to be provided by Franchisor to the Franchised Business hereunder, Franchisee agrees to pay (in addition to the Royalty and other fees specified in the Franchise Agreement) an Enhanced Services fee ("**Enhanced Services Fee**"), in the amount of 10% of the Gross Revenues of the Franchised Business, which will be collected and disbursed to Franchisor in the same manner and at the same time as the Royalty. Franchisee acknowledges and agrees that the Enhanced Services Fee may be modified each year upon a mutual written agreement between Franchisee and Franchisor; provided, however, that such Enhanced Services Fee shall not increase or decrease by more than two percentage points each year (i.e., if the Enhanced Services Fee is equal to 10% of Gross Revenues, it may not be increased above 12% of Gross Revenues in the next year) and the cumulative increase or decrease in the Enhanced Services Fee shall not exceed 10 percentage points (thus, the maximum Enhanced Services Fee shall not exceed 20% of Gross Revenues) during the Term of the Franchise Agreement.

4. Other Fees. As set forth in the Franchise Agreement, Franchisee authorizes Franchisor to collect all other payments due to Franchisor through the Enhanced Services process, including but not limited to the Royalty, Strategic Marketing and Promotions Fee, and Hosted Location Fee (if applicable).

5. Disclaimer of Warranties. Except as required by law, Franchisee acknowledges and agrees that Franchisee's use of the Enhanced Services is entirely at Franchisee's own discretion and risk. The Enhanced Services are furnished by Franchisor "as is" and without warranties or conditions, statutory or otherwise, of any kind. Franchisor: (a) expressly disclaims all warranties, whether express, implied, or statutory, including, without limitation, the implied warranties of noninfringement, title, merchantability and fitness for a particular purpose; (b) does not warrant that the Enhanced Services will meet Franchisee's requirements, or that their operation will be timely, uninterrupted, secure, or error-free or that any defects will be corrected; and (c) does not warrant or make any representations or conditions regarding the use or the results of the use of the Enhanced Services in terms of its accuracy, reliability, timeliness, completeness or otherwise. Franchisee assumes total responsibility for the use of the Enhanced Services by Franchisee and any other end users of the Enhanced Services.

6. Disclaimer of Consequential Damages. Notwithstanding any other provision of the Franchise Agreement, except as required by law, in no event will Franchisor be liable to Franchisee for any special, indirect, incidental, punitive, exemplary, reliance or consequential damages of any kind, including, but not limited to, compensation, reimbursement or damages in connection with, arising out of, or relating to, the use, or loss of use of, the services, loss of profits, loss of goodwill, loss of data or content, cost of procurement of substitute goods or services, subsequent or other commercial loss, or for any other reason of any kind, whether based on contract or tort (including, without limitation, negligence or strict liability) even if Franchisor has been advised of the possibility of such damages.

7. Limitation of Liability. Except as required by law, Franchisor will not be liable to Franchisee for damages for breach of any express or implied warranty or condition, breach of contract, negligence, strict liability, or any other legal theory related to the Services. If, notwithstanding the foregoing, Franchisor is found to be liable to Franchisee for any damage or loss which arises under or in connection with the Enhanced Services, Franchisor's total cumulative liability to Franchisee will in no event exceed the amount of Enhanced Services Fees actually paid by Franchisee for the Enhanced Services for the six months prior to the occurrence of the event(s) giving rise to Franchisor's liability.

8. Allocation of Liability. Franchisor and Franchisee acknowledge that the disclaimer of warranties, disclaimer of consequential damages, and limitations of liability set forth in this Addendum and in the other provisions of the Franchise Agreement and the allocation of risk herein are an essential element of the bargain between the parties, without which Franchisor would not have entered into this Addendum. Franchisor's pricing reflects this allocation of risk and these limitations.

9. Confidential Information. Franchisee acknowledges that in connection with the provision of the Enhanced Services, Franchisee may obtain Confidential Information and Trade Secrets of Franchisor. Accordingly, Franchisee acknowledges and agrees that the terms and conditions set forth in the Franchise Agreement relating to Confidential Information and Trade Secrets apply to Franchisee's provision of the Enhanced Services.

10. Coterminous with Franchise Agreement: No Automatic Renewal.

a. Term and Termination. The terms and conditions of this Addendum will continue in full force and effect until any of the following events occurs:

i. the Franchise Agreement is terminated or expires, in which case this Addendum will automatically terminate at the same time as the Franchise Agreement;

ii. after the third full calendar year of Franchisee operating the Franchised Business and before September 30 of the fourth full calendar year of Franchisee operating the Franchised Business, Franchisee provides Franchisor with written notice of its intent to terminate this Addendum, in which case this Addendum will terminate on December 31st of the fourth full calendar year of Franchisee operating the Franchised Business; or

iii. Franchisee defaults under the Franchise Agreement (whether or not such default is cured or any remedy under the Franchise Agreement is exercised) and Franchisor provides Franchisee with written notice of Franchisor's intent to terminate this Addendum, in which case this Addendum will terminate upon the date Franchisor specifies in such termination notice.

b. Renewal. Renewal of the terms and conditions of this Addendum are not automatic upon the execution of a Successor Franchise Agreement by Franchisor and Franchisee.

Accordingly, Franchisor and Franchisee may only renew the terms and conditions of this Addendum by entering into a new Addendum to the Successor Franchise Agreement; provided, however, Franchisor reserves the right to revise the terms and conditions relating to the provisions of the Enhanced Services, including the Enhanced Services Fee, in connection with such renewal.

11. Exclusivity. So long as the terms and conditions of this Addendum are in full force and effect, Franchisee agrees that Franchisor (through an Affiliate of Franchisor or a third-party designee of Franchisor) will be the exclusive provider of the Enhanced Services for the Franchised Business.

12. Assignment. Franchisee cannot assign this Addendum without obtaining Franchisor's prior written consent, which Franchisor may grant or withhold in its sole discretion.

13. Severability. If any provision of this Addendum is found to be unenforceable or contrary to law, it will be modified to the least extent necessary to make it enforceable, and the remaining provisions of this Addendum will remain in full force and effect.

14. Addendum Binding. This Addendum will be binding upon and inure to the benefit of each party and to each party's respective successors and assigns.

15. No Further Changes. Except as specifically provided in this Addendum, all of the terms, conditions and provisions of the Franchise Agreement will remain in full force and effect as originally written and signed. Where the terms of this Addendum and the Franchise Agreement conflict, the terms of the Addendum will prevail.

16. Counterparts. This Addendum may be executed in two counterparts, each of which shall be an original, but taken together shall be deemed one and the same instrument.

[Signature Page to Follow]

IN WITNESS, WHEREOF, the parties have executed this Addendum on the date first written above.

FRANCHISOR:

SAFESPLASH BRANDS, LLC
d/b/a STREAMLINE BRANDS

By: ______________________________

Name: ______________________________

Title: ______________________________

FRANCHISEE:

____

a(n) ______________________________

By: ______________________________

Name: ______________________________

Title: ______________________________

ATTACHMENT J
TO FRANCHISE AGREEMENT

CONVERSION LOCATION ADDENDUM

This Addendum to the Franchise Agreement ("**Addendum**") is made and entered into on the Effective Date (as defined below), by and between SafeSplash Brands, LLC d/b/a Streamline Brands, a Colorado limited liability company (the "**Franchisor**"), and ______________________ ______________________________________ , a ____ ("**Franchisee**").

BACKGROUND

A. Franchisor and Franchisee have entered into that certain Franchise Agreement, dated as of the date hereof ("**Franchise Agreement**"), pursuant to which Franchisee will operate a Franchised Business at the location described in Attachment A to the Franchise Agreement**.**

B. Prior to executing the Franchise Agreement, Franchisee operated a swim facility under a different brand that it intends to convert to be a SafeSplash Business (a "**Conversion Location**").

C. Because Franchisee will be converting its facility from another brand and operating a Conversion Location, Franchisor and Franchisee desire to amend the terms of the Franchise Agreement by incorporating the terms of this Addendum into the Franchise Agreement.

AGREEMENT

1. Definitions. Capitalized terms used and not defined in this Addendum shall have the meanings assigned to them in the Franchise Agreement.

2. Royalty. Section 6.2(a) (Royalty Calculation) of the Franchise Agreement is deleted in its entirety and replaced with the following:

> "Franchisee must pay to Franchisor a royalty fee equal to (i) 3% of Gross Revenues of the Franchised Business during the first Business Year, (ii) 4.5% of Gross Revenues of the Franchised Business during the second Business Year, and (iii) 6% of the Gross Revenues of the Franchised Business during the third Business Year and every Business Year thereafter. "**Business Year**" means a year of operations of the Franchised Business beginning on the Opening Date (or, after the first Business Year, the anniversary of the Opening Date) and ending the day before the next anniversary of such Opening Date. "**Opening Date**" means the date the Franchised Business opens for business to the public."

3. Initial Training Program. Section 8.2(c) (Timing and Completion of Initial Training Program) is deleted in its entirety and replaced with the following:

> "The entire Initial Training Program must be attended and successfully completed by Franchisee or Franchisee's Designated Business Manager prior to the Swim Facility opening for business."

4. Site Selection. Sections 8.4(a) (Site Selection) and 8.4(b) (Site Review) of the Franchise Agreement are deleted.

5. Proposal of Site. Section 9.2(a) (Proposal of Site) is deleted in its entirety and replaced with the following:

> "(a) Site Designation and Development. The site for Franchisee's existing swim facility will be the site for the Swim Facility. Franchisee must arrange for it and the landlord for the Swim Facility site to sign the Lease Addendum attached to this Agreement as **Attachment F** (the "**Lease Addendum**")."

6. Build-out. Section 9.2(c) (Build-out) is deleted in its entirety and replaced with the following:

> "Franchisee shall, at Franchisee's sole cost and expense, purchase and use all equipment and swimming tools specified by Franchisor in the Operations Manual."

7. Swim Facility Development and Maintenance. Section 9.2 (Swim Facility Development and Maintenance) of the Franchise Agreement is amended by adding the following Section 9.2(h):

> "(h) Re-Branding of Conversion Locations. Franchisee must re-brand its facility and business within two months of the Effective Date to comply with Franchisor's then-current brand standards as set forth in this Agreement and the Operations Manual. To assist with such re-branding, Franchisor will reimburse Franchisee up to $20,000 for any out-of-pocket expenses Franchisee incurs in connection with re-branding its facility and business to a SafeSplash Business after Franchisee provides Franchisor with the receipts for such expenses. Franchisee acknowledges such reimbursement only applies to out-of-pocket expenses incurred by Franchisee during the first two months after the Effective Date."

8. Opening Requirement. Number (2) in Section 9.11(a) (Requirements to Open) is deleted. The following is added to the end of Section 9.11(a):

> "Franchisee may open the Franchised Business prior to completing the Initial Training Program, provided that Franchisee or its Designated Business Manager must complete the Initial Training Program within two months from the Effective Date of the Franchise Agreement."

9. Opening Deadline. Section 9.11(b) (Opening Deadline) is deleted in its entirety and replaced with the following:

> "Subject to the terms of this Agreement, Franchisee shall open the Swim Facility for business on or before the date that is two months from the Effective Date ("**Required Opening Date**"), which shall be listed on **Attachment A**."

10. Start-Up Advertising. Section 12.1 (Start-Up Advertising) is deleted in its entirety and replaced with the following:

> "Franchisee acknowledges that local advertising is required to advise the public of the Franchised Business. Franchisee must prepare and submit to Franchisor a marketing plan for Franchisee's Franchised Business on or before the Effective Date, which will describe its proposed promotional advertising, marketing and public relations efforts within the Territory during its first three months of operation (collectively, the "**Start-Up Advertising and Promotions Requirement**"). Franchisor shall have the right to approve, reject, or modify the proposed marketing plan, and Franchisee shall implement the marketing plan that is approved by Franchisor."

11. Local Advertising Expense. The first sentence of Section 12.2(a) (Local Advertising Expense) is deleted and replaced with the following:

> "Beginning on the Effective Date and during the remaining Term, Franchisee shall spend a minimum of 2% of its projected Gross Revenues in the current year ("**Local Advertising Expense**") for advertising and promotion within the Territory."

12. Addendum Binding. This Addendum will be binding upon and inure to the benefit of each party and to each party's respective successors and assigns.

13. No Further Changes. Except as specifically provided in this Addendum, all of the terms, conditions and provisions of the Franchise Agreement will remain in full force and effect as originally written and signed.

[*Signature Page to Follow*]

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed this Addendum as of the date first above written.

FRANCHISOR:	**FRANCHISEE:**
SAFESPLASH BRANDS, LLC **d/b/a STREAMLINE BRANDS**	**NAME:** ______________________________
____________________________________	____________________________________
By: _________________________________	By: _________________________________
Title: _______________________________	Title: _______________________________
Date:________________________________ (which shall be the "**Effective Date**") of this Addendum	Date:________________________________

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FDD EXHIBIT C

DEVELOPMENT AGREEMENT

SAFESPLASH SWIM SCHOOL®
DEVELOPMENT AGREEMENT

between

SAFESPLASH BRANDS, LLC d/b/a STREAMLINE BRANDS

and

____

Development Area: ____________________

TABLE OF CONTENTS

SAFESPLASH SWIM SCHOOL®
DEVELOPMENT AGREEMENT

THIS AGREEMENT (this "**Agreement**") is made and entered into as of the date set forth on Appendix A of this Agreement (the "**Effective Date**") (Appendix A and all appendices and schedules attached to this Agreement are hereby incorporated by this reference) between SafeSplash Brands, LLC d/b/a Streamline Brands., a Colorado limited liability company with its principal place of business at 12240 Lioness Way Parker, Colorado 80134 ("**SafeSplash Brands**"), and the person or entity identified on Appendix A as the franchisee ("**Franchisee**") with its principal place of business as set forth on Appendix A. In this Agreement, "**we,**" "**us,**" and "**our**" refers to SafeSplash Brands. "**You**" and "**your**" refers to Franchisee.

RECITALS

A. Simultaneously with signing this Agreement, we and you (or your Affiliated Entity (as defined below)) are signing a franchise agreement that is effective as of the Effective Date (the "**Initial Franchise Agreement**") for the development and the operation of the first SafeSplash Swim School business (a "**SafeSplash Business**") to be developed by you (or your Affiliated Entity) within the Development Area (as defined below). Capitalized terms used and not otherwise defined in this Agreement shall have the meanings set forth in the Initial Franchise Agreement.

B. SafeSplash Businesses may be operated in various location formats ("**Formats**"), including: (a) a physical location with a swimming pool (either a stand-alone building or in-line retail space) that Franchisee leases from a third party to be operated as a facility dedicated to the operation of the SafeSplash Business (a "**Dedicated Location**"); (b) a Dedicated Location that was previously operated under a different brand before it was converted to a SafeSplash Business (a "**Conversion Dedicated Location**"); a (c) third-party fitness center, health club, diving facility or other facility with a swimming pool that is leased or licensed to we or you (a "**Hosted Location**"); or (d) a Hosted Location that was previously operated under a different brand before it was converted to a SafeSplash Business (a "**Conversion Hosted Location**"). For purposes of this Agreement, all references to Dedicated Locations and Hosted Locations include only locations that have not been converted from another brand, since locations that have been converted from another brand are included in the Conversion Dedicated Location and Conversion Hosted Location categories.

C. If you are a corporation, limited liability company, partnership, or other entity (collectively, an **"Entity"**), all of your owners of a legal and/or beneficial interest in the Entity (the **"Owners"**) are listed on Appendix A of this Agreement.

D. We desire to grant to you the right to develop multiple SafeSplash Businesses in specified Formats within the Development Area in accordance with the Development Schedule (defined below), provided that you also must execute our then-current standard franchise agreement (each, a "**Franchise Agreement**") for each such SafeSplash Business, which will govern the development and operation of such business.

E. You desire to develop multiple SafeSplash Businesses in specified Formats within the Development Area in accordance with the Development Schedule and to timely execute Franchise Agreements to govern the development and operation of such SafeSplash Businesses.

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants and agreements contained herein, the parties hereby agree as follows:

1. **Grant of Development Rights and Development Area**.

1.1 **Grant of Development Rights**. Subject to the terms and conditions of this Agreement, we grant to you the right, and you undertake the obligation, to develop and open in the area designated on Appendix A to this Agreement (the "**Development Area**") the number of SafeSplash Businesses in each Format specified in Appendix A in accordance with the development schedule specified in Appendix A (the "**Development Schedule**"). This Agreement does not give you any right to franchise, license, subfranchise, or sublicense others to develop, open, or operate SafeSplash Businesses. Only you (and/or your Affiliated Entities) have the right to develop and open SafeSplash Businesses pursuant to this Agreement. This Agreement does not grant you any right to use the Marks or the System (as such terms are defined in the Initial Franchise Agreement). Rights to use the Marks and the System are granted only by the Franchise Agreements.

1.2 **Delegation to Affiliate-Owned Businesses**. At your request, the Franchise Agreement for any SafeSplash Business in the Development Area may be signed by an Entity formed by you to develop and operate the SafeSplash Business (an "**Affiliated Entity**") (and which SafeSplash Business shall count as one of your SafeSplash Businesses for the purpose of satisfying the Development Schedule), provided all of the following conditions are met: (a) you own at least 51% of the direct ownership interests in such Affilaited Entity; (b) the Affiliated Entity conducts no business other than the operation of one or more of the SafeSplash Businesses; (c) we determine, in our sole discretion, the Affiliated Entity and all owners of a legal or beneficial ownership interest in the Affiliated Entity meet our then-current criteria for franchisees and franchisee owners; (d) in addition to the guarantee requirements set forth in the applicable Franchise Agreement, you and all of your Owners sign a personal guarantee and agree to assume full and unconditional liability for, and agree to perform, all obligations, covenants and agreements contained in the Franchise Agreement.

2. **Fees**.

2.1 **Initial Franchise Fee**. For each SafeSplash Business that you develop prusuant to this Agreement, the initial franchise fee due under the applicable Franchise Agreement (the "**Initial Franchise Fee**") for such SafeSplash Business will be specified in Appendix A and determined in accordance with the following table based on the number of SafeSplash Businesses (of any Format) that you commit to develop under this Agreement and the Format (and number of each Format) of SafeSplash Businesses that you commit to develop:

	Number of SafeSplash Businesses (of Any Format) You Commit to Developing		
Format and Number of Each Format	**One or Two**	**Three or Four**	**Five or More**
First Dedicated Location	$55,000	$55,000	$55,000
Each Additional Dedicated Location	$55,000	$50,000	$45,000
First Conversion Dedicated Location	$27,500	$27,500	$27,500
Each Additional Conversion Dedicated Location	$27,500	$25,000	$22,500
First Hosted Location	$37,500	$37,500	$37,500
Each Additional Hosted Location	$37,500	$35,000	$32,500
First Conversion Hosted Location	$18,750	$18,750	$18,750
Each Additional Conversion Hosted Location	$18,750	$17,500	$16,250

2.2 **Development Fee**. Upon execution of this Agreement, you must pay us a development fee in the amount specified on Appendix A (the "**Development Fee**"), which will be equal to the aggregate of all of the Initial Franchise Fees due for the SafeSplash Businessses that you commit to develop under this Agreement. For example, if you commit to develop six SafeSplash Businesses, including two

Conversion Dedicated Locations, three Dedicated Locations, and one Hosted Location, the Development Fee would be $232,500 ($27,500 for Conversion Dedicated Location #1, $22,500 for Conversion Dedicated Location #2, $55,000 for Dedicated Location #1, $45,000 for Dedicated Location #2, $45,000 for Dedicated Location #3, and $37,500 for Hosted Location #1).

2.3 **Application of Fee and Non-refundability**. The Development Fee will be credited towards the Initial Franchise Fee due for each SafeSplash Business that you develop pursuant to this Agreement. Thus, there shall be no additional Initial Franchise Fee due under each Franchise Agreement signed pursuant to this Development Agreement. The Development Fee is fully earned by us when we and you sign this Agreement and is non-refundable, even if you do not develop SafeSplash Businesses in accordance with the Development Schedule.

3. **Development Obligations**.

3.1 **Development of SafeSplash Businesses**.

(a) **Initial SafeSplash Business**. You must sign your Initial Franchise Agreement at the same time that you sign this Agreement and comply with the site selection procedures set forth in Section 8.4 (Site Selection and Relocation) of the Initial Franchise Agreement.

(b) **Subsequent SafeSplash Businesses**. For each additional SafeSplash Business that you have the right to develop in accordance with the Development Schedule, you must sign our then-current Franchise Agreement, which may have materially different terms than the Initial Franchise Agreement, including different fees (though no Initial Franchise Fee shall be owed under such agremeent) and territorial rights. You must sign a Franchise Agreement for a SafeSplash Business before you may execute a lease, sublease, or purchase agreement intended for such business or commence construction of such business. We will not be obligated to offer you a Franchise Agreement for a SafeSplash Business unless:

1. we have complied with all applicable franchise registration and disclosure laws and, if required by applicable laws, have provided you with a copy of our then-current Franchise Disclosure Document; and

2. you and any Affiliated Entities have fully complied with any Franchise Agreements that are in effect.

3.2 **Deadlines.** You must enter into Franchise Agreements and develop and open SafeSplash Businesses in accordance with the deadlines set forth in the Development Schedule. **Signing Deadline.** By each "**Signing Deadline**" specified in the Development Schedule, you must have signed our then-current standard form of Franchise Agreement for the applicable number of SafeSplash Businesses in the Development Area specified on the Development Schedule. **Opening Deadline.** By each "**Opening Deadline**" specified in the Development Schedule, you must have the applicable number of SafeSplash Businesses in the Development Area open and operating. **Discretionary Extension.** We may, in our sole discretion, extend any Signing Deadline or any Opening Deadline, whch we may condition on your payment of an Extension Fee and execution of a general release. The "**Extension Fee**" for each Franchised Business will be $2,500 per month (or portion of a month) that the Opening Deadline for such SafeSplash Business is extended. Any extension that we grant you (or your Affiliated Entity) will apply only to the SafeSplash Businesses for which you (or your Affiliated Entity) obtained the extension and will not extend, delay, or otherwise impact any other deadline under the Development Schedule. **Disclosure Extension**. If you are unable to execute a Franchise Agreement by the Signing Deadline because we are unable to timely deliver a required Franchise Disclosure Document (due to any lapse or expiration of our franchise registration, because we are in the process of amending such documents or registration, or for any other reason), we will adjust such Signing Deadline and Opening Deadline for the applicable SafeSplash Business to take into consideration the date on which we were able to provide you with a Franchise Disclosure Document, without requiring payment of an Extension Fee or the execution of a general release.**Damaged Businesses**. If a SafeSplash Business is destroyed or damaged by any cause beyond your control such that it may no longer continue to be open for the operation of business, you must immediately give us notice of such destruction or damage (**"Destruction Event"**). You must diligently work to repair and restore the SafeSplash Business to our approved plans and specifications as soon as possible at the same location or at a substitute site accepted by us within the Development Area. If a SafeSplash Business is closed due to a Destruction Event, the business will continue to be deemed a "SafeSplash Business in operation" for the purpose of this Agreement for up to 180 days after the Destruction Event occurs. If a SafeSplash Business (i) is closed in a manner other than those described in this Section 3.2(e) or as otherwise agreed by us in writing or (ii) fails to reopen within 180 days after a Destruction Event, then we may exercise our rights under Section 6.2 (Our Remedies).**Development Area**.

4.1 Limited Territorial Protection. If you (and your Affiliated Entities, as applicable) are fully complying with all of your (and their) obligations under this Agreement, the Initial Franchise Agreement, and all other franchise agreements then in effect between us and you (and your Affiliated Entities, as applicable), we and our Affiliates will not establish or operate, or license another person or Entity to establish or operate, a SafeSplash Business using the Marks in the Development Area during the term of this Agreement.

4.2 No Other Restriction on Us or Our Affiliates. The location exclusivity described in Section 4.1 is the only restriction on our (and our Affiliates') activities within the Development Area during the term of this Agreement. You acknowledge and agree that we and our Affiliates have the right to engage, and license third parties to engage, in any other activities of any nature whatsoever within and throughout the Development Area, including, without limitation, the types of activities in which we and our Affiliates reserve the right to engage in under Section 5.3 (Franchisor's Reserved Rights) of the Initial Franchise Agreement.

5. Term.

Unless this Agreement is terminated sooner as provided in other sections of this Agreement, this Agreement expires at midnight on the earlier of (i) the last Opening Deadline date listed on the Development Schedule, or (ii) the opening of the last SafeSplash Business to be developed pursuant to the Development Schedule (the "**Expiration Date**").

6. Termination.

6.1 Events of Default. Any one or more of the following constitutes an "**Event of Default**" under this Agreement:

(a) You (or your Affiliated Entities) fail to execute the applicable number of required Franchise Agreements by any Signing Deadline specified in the Development Schedule;

(b) You (or your Affiliated Entities) fail to have open and operating the applicable number of required SafeSplash Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule;

(c) You, your Owners, or your Affiliates breach or commit a default under any Franchise Agreement or other agreement executed with us or our Affiliates (a "**Related**

Agreement") and we or our Affiliates (i) terminate such Related Agreement or (ii) have the right to terminate such Related Agreement, even if we do not exercise such termination right; or

(d) You, your Owners, or your Affiliates breach or otherwise fail to comply fully with any other provision contained in this Agreement, including Section 8 (Noncompete Covenants).

6.2 Our Remedies.

(a) Termination. If any Event of Default occurs under Section 6.1, we may, at our sole election, declare this Agreement and any and all other rights granted to you, and restrictions imposed on us, under this Agreement to be immediately terminated and of no further force or effect. Upon termination of this Agreement for any other reason whatsoever, we will retain the Development Fee and you will not be relieved of any of your obligations, debts, or liabilities hereunder, including, without limitation, any debts, obligations, or liabilities which have accrued prior to such termination. Your failure to open and thereafter operate SafeSplash Businesses in accordance with the Development Schedule will not, in itself, constitute cause for us to terminate any previously-executed Franchise Agreement.

(b) Other Remedies. If any Event of Default occurs under Section 6.1, in lieu of termination, we may at our option, and in our discretion, unilaterally modify the Development Area and/or modify the Development Schedule to decrease the number of SafeSplash Businesses required to be developed under this Agreement by written notice to you, and such modification shall be effective immediately upon receipt of such written notice from us to you. If we reduce your Development Area or your Development Schedule due to an Event of Default, we will not be obligated to refund any portion of the Development Fee to you.

7. Transfers.

(a) Transfers by You. This Agreement and the rights granted to you under this Agreement are personal to you. Neither this Agreement, nor any of the rights granted to you hereunder, nor any controlling equity interest in you may be voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, assigned or otherwise transferred, given away, or encumbered by you without our prior written approval, which we may grant or withhold for any or no reason. As a condition of approving an assignment, we may require you or the transferee to comply with any conditions that we specify, including payment of a transfer fee equal to 20% of the portion of the Development Fee attributable to the undeveloped SafeSplash Businesses remaining to be developed under this Agreement and execution of a general release. If you or your Owners intend to transfer any interest in you or this Agreement, we shall have a right of first offer in accordance with the procedure set forth in Section 17 (Option to Purchase – Right of First Offer) of the Initial Franchise Agreement.

(b) Transfers by Us. We have the right to change our ownership or form and/or assign this Agreement to a third party without restriction. Specifically and without limiting the foregoing, we have the right to sell our assets (including this Agreement), the Marks, or the franchise system to a third party; offer our ownership interests privately or publicly; merge, acquire other business entities, or be acquired by another Entity; and/or undertake a refinancing, recapitalization, leveraged buyout, securitization, or other economic or financial restructuring.

8. Noncompete Covenants.

Section 15.2 (Noncompete Covenants) of the Initial Franchise Agreement is hereby incorporated by reference and shall apply under this Agreement to you and your Owners, except the post-term noncompete covenant in Section 15.2(b) (After the Term) of the Initial Franchise Agreement shall apply to any Competitive Business that is located within (i) the Development Area, (ii) a 10-mile radius of the Development Area, (iii) a 10-mile radius of the location of any other SafeSplash Business that is operating or under development at the time of such expiration, termination, or transfer, or (iv) 10-mile radius of the location of any other swim school owned or operated by us or our Affiliates that is operating or under development at the time of such expiration, termination, or transfer. The Owners must personally bind themselves to this Section 8 by signing our current form of Guaranty and Assumption of Franchisee's Obligations, which is attached as Appendix B to this Agreement.

9. Indemnification.

You agree at all times to defend at your own cost, and to indemnify and hold harmless, to the fullest extent permitted by law, the Indemnified Parties (as defined in the Initial Franchise Agreement) from and against, and to reimburse any one or more of the Indemnified Parties for, all Damages (as defined in the Initial Franchise Agreement) directly or indirectly arising out of or relating to (i) any acts or omissions related to the development of SafeSplash Businesses under this Agreement, (ii) the purchase, lease, or sublease of any site by you, your Owners, or your Affiliated Entities and any purchase, lease, or sublease agreements executed in connection therewith, or (iii) any actual or alleged breach of this Agreement by you, your Owners, or your Affiliated Entities. Section 13.3 (Indemnification Procedure) of the Initial Franchise Agreement is hereby incorporated by reference and shall apply to all claims asserted or inquiries made (formally or informally), or legal actions, investigations, or other proceedings brought, by a third party and directly or indirectly arising out of or relating to any matter described in this Section 9 (which shall all be incorporated into the definition of "Proceedings").

10. Incorporation of Other Terms.

Section 15.1 (Confidential Information and Trade Secrets), Section 20 (Notices) (except the applicable notice address for Franchisee shall be as specified in Appendix A of this Agreement), Section 21 (Dispute Resolution), Section 22 (Miscellaneous), and Section 23 (Acknowledgements) of the Initial Franchise Agreement are incorporated by reference in this Agreement and will govern all aspects of our relationship and the construction of this Agreement as if fully restated within the text of this Agreement.

11. Owners and Payment and Performance Guarantee.

You represent that Appendix A fully and accurately identifies each of your Owners as of the Effective Date. As a condition to us entering into this Agreement, from time to time during the term of this Agreement as we may require, you must cause each Owner to bind themselves to certain terms of this Agreement by executing and delivering our then-current form of Guaranty and Assumption of Franchisee's Obligations.

12. Miscellaneous.

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties with respect to its subject matter and supersede any and all prior negotiations, understandings, representations, and agreements with respect to its subject matter. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you. This Agreement shall not be binding on either party until it is executed by both parties. This Agreement may be signed in multiple counterparts, but all such counterparts together shall be considered one and the same instrument.

13. <u>Additional Terms; Inconsistent Terms</u>.

The parties may provide additional terms by including the terms on Appendix A. To the extent that any provisions of Appendix A are in direct conflict with the provisions of this Agreement, the provisions of Appendix A shall control.

[*Signature Page Follows*]

Signature Page for Development Agreement

IN WITNESS WHEREOF, we and you have signed and delivered this Agreement as of the Effective Date.

FRANCHISOR

SAFESPLASH BRANDS, LLC D/B/A STREAMLINE BRANDS.

By:__________________________________

Name:________________________________

Title:_________________________________

Date:_________________________________

FRANCHISEE

[NAME OF ENTITY]

By:__________________________________

Name:________________________________

Title:_________________________________

Date:_________________________________

APPENDIX A
TO THE
DEVELOPMENT AGREEMENT

FRANCHISEE-SPECIFIC TERMS

1. **Effective Date:**

2. **Franchisee's Name:**

3. **Franchisee's State of Organization** *(if applicable):*

4. **Franchisee's Principal Place of Business**:

5. **Franchisee's Address for Notices (Section 10)**:

Address	E-mail Address

6. **Ownership of Franchisee (Recital C)**: If you are an Entity, the following individual and Entities constitute all of your Owners:

Name	Address	E-mail Address	Percentage Ownership

7. **Development Area (Section 1):**[attach map if necessary] (If there is any inconsistency between a narrative description and a pictorial identification of the Development Area, the narrative description of the Development Area will prevail.)

8. **Initial Franchise Fee for each SafeSplash Business developed pursuant to this Development Agreement (Recital D):** [Delete Inapplicable Columns]

Format and Number of Each Format	Initial Franchise Fee (1 or 2)	Initial Franchise Fee (3 or 4)	Initial Franchise Fee (5+)
First Dedicated Location	$55,000	$55,000	$55,000
Each Additional Dedicated Location	$55,000	$50,000	$45,000
First Conversion Dedicated Location	$27,500	$27,500	$27,500
Each Additional Conversion Dedicated Location	$27,500	$25,000	$22,500
First Hosted Location	$37,500	$37,500	$37,500
Each Additional Hosted Location	$37,500	$35,000	$32,500
First Conversion Hosted Location	$18,750	$18,750	$18,750
Each Additional Conversion Hosted Location	$18,750	$17,500	$16,250

9. **Development Fee (Section 2.2):** $___________________.

10. **Development Commitment (Section 1.1)**: You agree to establish and operate the following SafeSplash Businesses in the Development Area during the term of this Agreement:

Format of SafeSplash Business	Total Number of Each Format You Must Develop
Dedicated Location	
Conversion Dedicated Location	
Hosted Location	
Conversion Hosted Location	
Total Number of SafeSplash Businesses	

11. **Development Schedule (Section 1.1)**: During the term of this Agreement, you agree to establish and operate the required SafeSplash Businesses in accordance with the following Development Schedule:

MINIMUM NUMBER OF SAFESPLASH BUSINESSES (The minimum number of Franchise Agreements signed by each Signing Deadline)	**SIGNING DEADLINE** (Deadline for having the minimum number of Franchise Agreements signed)	**MINIMUM NUMBER OF SAFESPLASH BUSINESSES** (The minimum number of SafeSplash Businesses in the Development Area open and operating by each Opening Deadline)	**OPENING DEADLINE** (Deadline for having the minimum number of SafeSplash Businesses in the Development Area open and operating)
1	Effective Date	1	______________, 20___
	______________, 20___		______________, 20___
	______________, 20___		______________, 20___
	______________, 20___		______________, 20___
	______________, 20___		______________, 20___
	______________, 20___		______________, 20___
	______________, 20___		______________, 20___
	______________, 20___		______________, 20___ (the Expiration Date of the Agreement)

12. **Additional Terms; Inconsistent Terms (Section 13):**

Signature Page for Development Agreement Appendix A (Franchisee-Specific Terms)

FRANCHISOR

SAFESPLASH BRANDS, LLC D/B/A STREAMLINE BRANDS.

By:_________________________________

Name:_______________________________

Title:_______________________________

Date:_______________________________

FRANCHISEE

[NAME OF ENTITY]

By:_________________________________

Name:_______________________________

Title:_______________________________

Date:_______________________________

APPENDIX B
TO THE
DEVELOPMENT AGREEMENT

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Development Agreement, and any revisions, modifications, addenda, and amendments thereto (hereinafter collectively the "**Agreement**") executed on the Effective Date by and between SafeSplash Brands, LLC d/b/a Streamline Brands ("**Franchisor**") and ______________________________ ("**Franchisee**"), each of the undersigned hereby personally and unconditionally:

1. Guarantees to Franchisor and its successors and assigns, for the term of the Agreement that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and

2. Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, including but not limited to, the terms of Sections 8 (Noncompete Covenants) and 10 (Incorporation of Other Terms).

Each of the undersigned waives the following:

1. Acceptance and notice of acceptance by Franchisor of the foregoing undertaking;

2. Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;

3. Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

4. Any right he or she may have to require that any action be brought against Franchisee or any other person as a condition of liability; and

5. Any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

6. His or her direct and immediate liability under this guaranty shall be joint and several;

7. He or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;

8. Such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person;

9. Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty,

which shall be continuing and irrevocable during the term, including any extension(s) thereof; and

10. This Agreement shall be enforceable by and against his or her respective administrators, executors, successors and assigns, and his or her death shall not terminate his or her liability or limit his or her liability hereunder.

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

GUARANTOR(S):

____

By: ___________________________

Date: ___________________________ (which shall be the "**Effective Date**" of this Agreement)

____

By: ___________________________

Date: ___________________________

FDD EXHIBIT D

OPERATIONS MANUALS TABLE OF CONTENTS

(APPROXIMATELY 644 TOTAL PAGES)

FDD EXHIBIT E

LIST OF CURRENT FRANCHISEES AND AFFILIATE-OWNED LOCATIONS

LIST OF CURRENT FRANCHISEES (AS OF DECEMBER 31, 2024)

State	City	Name of Operator	School Address	School Phone Number	Location Type
AL	Huntsville	**Kristin Stitt (Area Developer)** Northern Alabama Swim Schools, LLC	1345 4 Mile Post Road SE Huntsville, AL 35802	256-257-5596	Satellite
AL	Madison	**Kristin Stitt (Area Developer)** Northern Alabama Swim Schools, LLC	8391 U.S. Hwy 72 W. Madison, AL 35758	256-257-5596	Satellite
CA	Antelope	**Usman Rao** Sorrento SS, LLC	7905 Walerga Rd. Antelope, CA 95843	916-314-0465	Hosted
CA	Brea	**Mark Smith** Moon Jelly, Inc.	965 E Birch Street Brea, CA 92821	714-644-8889	Hosted
CA	Buena Park	**Mark Smith** Moon Jelly, Inc.	8430 On the Mall Buena Park, CA 90620	714-509-0652	Hosted
CA	Citrus Heights	**Darin Mai** Freeform Aquatics LLC	6633 Auburn Blvd. Citrus Heights, CA 95621	916-792-7858	Hosted
CA	Elk Grove	**Usman Rao** Sorrento SS, LLC	2260 Longport Court Elk Grove, CA 95758	916-550-3200	Dedicated
CA	Folsom	**Usman Rao** Sorrento SS, LLC	1006 Riley Street Folsom CA 95630	916-314-0653	Hosted
CA	Fullerton	**Mark Smith** Moon Jelly, Inc.	130 Imperial Highway Fullerton, CA 92835	714-439-8703	Satellite
CA	Long Beach	**Mark Smith** Moon Jelly, Inc.	2180 N Bellflower Blvd. Long Beach, CA 90815	714-923-1314	Hosted

State	City	Name of Operator	School Address	School Phone Number	Location Type
CA	Long Beach	**Mark Smith** Moon Jelly, Inc.	3030 N. Bellflower Blvd. Long Beach, CA 90808	714-923-1312	Satellite
CA	Roseville	**Usman Rao** Sorrento SS, LLC	336 N Sunrise Ave. Roseville, CA 95661	916-314-0566	Hosted
CA	Sacramento	**Misha Lindsey** Dancing Dolphin, LLC	3880 Innovator Drive Sacramento, CA 95834	916-238-6570	Satellite
CA	Sacramento	**Misha Lindsey** Dancing Dolphin, LLC	1671 Alhambra Blvd. Sacramento, CA 95816	916-250-1596	Hosted
CA	Santa Monica	**Rodney Weinstein** Westchester Swim Studios, Inc.	2929 31st St. Santa Monica, CA 90405	424-282-4301	Hosted
CA	Torrance	**Rodney Weinstein** Westchester Swim Studios, Inc.	21501 Hawthorne Blvd Floor 1 Del Amo Crossing, Torrance, CA 90503	424-282-4304	Hosted
CA	Yorba Linda	**Mark Smith** Moon Jelly, Inc.	4848 Valley View Ave., Yorba Linda, CA 92886	714-439-2327	Hosted
CO	Arvada	**Joshua Pearlman** White Cap, LLC	5101 Kipling Street Arvada, CO 80033	303-586-7517	Dedicated
CO	Aurora	**Jessica Jaramillo** J.K. Enterprises Ltd.	512 S Chambers Rd. Aurora, CO 80017	720-303-2239	Hosted
CO	Castle Rock	**Jaime Zilverberg** Colorado Swimmer, LLC	658 Genoa Way Unit D Castle Rock, CO 80109	720-791-5800	Dedicated
CO	Castle Rock	**Jaime Zilverberg** Colorado Swimmer, LLC	5745 New Abbey Ln. Castle Rock, CO 80108	720-458-1878	Satellite
CO	Colorado Springs	**Tracey Ray** SwimRay, Inc., LLC	13171 Bass Pro Drive Colorado Springs, CO 80921	719-900-2550	Dedicated
CO	Lakewood	**Shawn Murray** Aquatic Skills Unlimited, LLC	160 South Union Blvd. Lakewood, CO 80228	303-625-9912	Hosted
CO	Littleton	**Shawn Murray** Aquatic Skills Unlimited, LLC	1603 W Belleview Ave. Littleton, CO 80120	303-327-9277	Hosted

State	City	Name of Operator	School Address	School Phone Number	Location Type
CT	Newington	**Mrutunjay Sabrad (Area Developer)** Hartford Swim Quest, Inc.	77 Pane Road, Unit 3 Newington, CT 06111	860-215-3905	Dual Brand
DC	Washington	**Michael Lilintahl** Lilintahl, LLC	3100 14th St. NW Washington, DC 20010	202-888-9954	Hosted
DC	Washington	**Michael Lilintahl** Lilintahl, LLC	4300 Military Road NW Washington, DC 20015	202-963-0833	Hosted
ID	Coeur d' Alene	**Dawn Deren** Gold Star Swim, LLC	3810 N Schreiber Way Coeur d'Alene, ID 83815	208-370-2223	Dual Brand
IA	Waukee	**Jessica Koenig** Koenig Aquatics, LLC	1175 SE University Ave. Waukee, IA 50263	515-200-3477	Dual Brand
KY	Louisville	**Amy Albiero** Albiero Swimming Institute, LLC	3572 Springhurst Blvd. Louisville, KY 40241	502-264-6300	Dual Brand
MA	Lexington	**Jay Hickman (Area Developer)** Aquatics Projects Hosted, LLC	727 Marrett Road Lexington, MA 2421	781-385-5177	Hosted
MD	Ellicott City	**Ravi Atluri (Area Developer)** Splash Fun, Inc.	8450 Baltimore National Pike, Suite 145 Ellicott City, MD 21043	410-618-3932	Dedicated
MO	Kansas City	**Chris Wright** Little Fishies, LLC	8680 NW Prairie View Rd, Suite D-213 Kansas City, MO 64153	816-282-2591	Dedicated
NC	Morrisville	**Arvind Mahajan (Area Developer)** Swim School Kingdom, LLC	115 Parkside Valley Dr. Unit 10 Morrisville, NC 27560	919-391-9250	Dual Brand
NC	Holly Springs	**Arvind Mahajan (Area Developer)** Swim School Kingdom 2, LLC	301 Earnie Ln. Holly Springs, NC 27540	919-391-4995	Dedicated
NJ	Cedar Grove	**Jay Hickman (Area Developer)** Aquatics Projects, LLC	95-97 Pompton Ave. Cedar Grove, NJ 7009	973-320-7070	Dedicated
NJ	Clifton	**Jay Hickman (Area Developer)** Aquatics Projects Hosted, LLC	852 Route 3 Clifton, NJ 07652	973-685-6178	Hosted
NJ	Lodi	**Jay Hickman (Area Developer)** Aquatics Projects Hosted, LLC	199 Main St. Lodi, NJ 07644	201-676-7909	Hosted

State	City	Name of Operator	School Address	School Phone Number	Location Type
NJ	Paramus	**Jay Hickman (Area Developer)** Aquatics Projects Hosted, LLC	260 East Route 4 Paramus, NJ 07652	201-345-7558	Hosted
NJ	Secaucus	**Jay Hickman (Area Developer)** Aquatics Projects Hosted, LLC	1200 Koelle Blvd. Secaucus, NJ 07094	201-289-8640	Hosted
NY	Bronx	**Rodney Weinstein** Westchester Swim Studios, Inc.	1776 Eastchester Rd., Bronx, NY 10461	917-267-2557	Hosted
NY	Yonkers	**Rodney Weinstein** Westchester Swim Studios, Inc.	77 Cole St. Space 1290, Yonkers, NY 10710	917-267-2557	Hosted
NY	Yonkers	**Rodney Weinstein** Westchester Swim Studios, Inc.	463 Hawthorne Ave., Yonkers, NY 10701	914-215-1683	Hosted
OH	Columbus	**Brad Hansen** Aquatic Locomotion, LLC	2990 Hayden Rd. Space #2982 - #2994 Columbus, OH 43235	614-333-1300	Dual Brand
OH	Holland	**Chris Peters** CP Swim, LLC	1510 Spring Meadows Drive #D-100 Holland, OH 43528	419-370-2801	Dual Brand
OH	Perrysburg	**Chris Peters** CP Swim II, LLC	10602 Fremont Pike Suite 4 Perrysburg, OH 43551	419-359-8174	Dedicated
OH	Plain City	**Brad Hansen** Aquatic DPC, LLC	8450 Warner Rd. Suite 100 Plain City, OH 43064	614-642-4233	Dedicated
OR	Clackamas	**Ramneek Kooner (Area Developer)** Ramko Learn and Play, Inc.	8720 SE Sunnybrook Blvd. Clackamas, OR 97015	503-406-2111	Hosted
OR	Hillsboro	**Ramneek Kooner (Area Developer)** Ramko Learn and Play, Inc.	7410 NE Imbrie Dr. Hillsboro, OR 97124	971-239-4555	Hosted
SC	Fort Mill	**Leila O'Brien (Area Developer)** KBSquared, Inc.	1309 Broadcloth Street Suite 101 Fort Mill, SC 29715	803-339-0204	Dual Brand
SD	Sioux Falls	**Dan Sobocinski (Area Developer)** Swim Sobo, LLC	427 W. 85th Street Sioux Falls, SD 57108	605-204-5100	Dedicated
SD	Sioux Falls	**Dan Sobocinski (Area Developer)** Swim Sobo, LLC	603 S. Highline Place Sioux Falls, SD 57110	605-549-0318	Dedicated

State	City	Name of Operator	School Address	School Phone Number	Location Type
SD	Sioux Falls	**Dan Sobocinski (Area Developer)** Swim Sobo, LLC	4600 S Tennis Ln. Sioux Falls, SD 57106	605-202-2692	Satellite
TN	Collierville	**Adam Byars (Area Developer)** AR Swim Schools, Inc.	1088 W Poplar Ave. Collierville, TN 38017	901-625-3334	Hosted
TN	Bartlett	**Adam Byars (Area Developer)** AR Swim Schools, Inc.	6050 Stage Road. Bartlett, TN 38134	901-245-0152	Hosted
TN	Franklin	**Davis Tarwater (Area Developer)** Southeastern Swim School, LLC	1735 Galleria Boulevard Suite 1023 Franklin, TN 37067	615-326-9001	Dedicated
TN	Knoxville	**Davis Tarwater (Area Developer)** Southeastern Swim School, LLC	120 N. Peters Rd. Knoxville, TN 37923	865-263-1800	Dual Brand
TN	Lakeland	**Adam Byars (Area Developer)** AR Swim Schools, Inc.	8864 US Highway 64 Lakeland, TN 38002	901-625-3335	Hosted
TN	Memphis	**Adam Byars (Area Developer)** AR Swim Schools, Inc.	4572 Poplar Ave. Memphis, TN 38117	901-625-3336	Hosted
TN	Nashville	**Davis Tarwater (Area Developer)** Southeastern Swim School, LLC	6720 Charlotte Pike Suite 105 Nashville, TN 37209	629-702-2935	Dual Brand
TX	Arlington	**Edith Mingle** Thide, LLC	1131 W Arbrook Blvd. Arlington, TX 76015	817-680-2922	Hosted
TX	Arlington	**Edith Mingle** Thide, LLC	5331 W. Sublett Rd. Arlington, TX 76017	682-500-1733	Hosted
TX	Boerne	**Robert Canales** SwimBoerne, LLC	27650 IH-10 W STE #9 Boerne, TX 78006	830-200-0889	Dedicated
TX	Cypress	**Cammile Adams** Catch Swim Schools, LLC	12304 Barker Cypress Road Cypress, TX 77429	832-497-1238	Satellite
TX	Flower Mound	**Mike Scrivner** DFW Swim Corp	1050 Flower Mound Rd. Suite 250 Flower Mound, TX 75028	469-581-2155	Dedicated
TX	Frisco	**Adeel Qureshi (Area Developer)** Esmesh Retail Solutions, LLC	5080 Main Street Frisco, TX 75033	972-464-2456	Hosted
TX	Garland	**Adeel Qureshi (Area Developer)** Esmesh Retail Solutions, LLC	1201 W Centerville Rd. Garland, TX 75041	469-209-8104	Hosted

State	City	Name of Operator	School Address	School Phone Number	Location Type
TX	Grand Prairie	**Edith Mingle** Thide, LLC	2960 Epic Place Grand Prairie, TX 75052	945-234-0123	Hosted
TX	Grand Prairie	**Edith Mingle** Thide, LLC	3201 Corn Valley Rd. Grand Prairie, TX 75052	945-205-2933	Satellite
TX	Houston	**Cammile Adams** Catch Swim Schools, LLC	19550 Restaurant Row Houston, TX 77084	832-940-7075	Hosted
TX	Houston	**Cammile Adams** Catch Swim Schools, LLC	1513 West 18th Street Houston, TX 77008	832-509-0159	Hosted
TX	Humble	**Samir Baniskar** PS Circle, LLC	10423 N Sam Houston Pkwy E Humble, TX 77396	832-271-1446	Dual Brand
TX	Katy	**Cammile Adams** Catch Swim Schools, LLC	4030 FM 1463 Katy, TX 77494	832-510-0065	Dual Brand
TX	Lewisville	**Mike Scrivner** DFW Swim I.M., LLC	798 Vista Ridge Mall Drive Lewisville, TX 75067	469-293-3527	Hosted
TX	McKinney	**Adeel Qureshi (Area Developer)** Esmesh Investments, LLC	9050 Falcon View Drive McKinney, TX 75070	972-895-3777	Hosted
TX	Missouri City	**Cammile Adams** Catch Swim Schools, LLC	5402 Highway 6 Missouri City, TX 77459	832-735-7158	Hosted
TX	Pearland	**Cammile Adams** Catch Swim Schools, LLC	2850 Pearland Parkway Pearland, TX 77581	832-590-3869	Hosted
TX	Prosper	**Adeel Qureshi (Area Developer)** Esmesh Investments, LLC	4900 W University Dr. Prosper, TX 75078	469-272-6135	Hosted
TX	San Antonio	**Robert Canales** SwimTex, LLC	5803 Babcock Rd. San Antonio, TX 78240	210-787-2519	Hosted
TX	San Antonio	**Robert Canales** SwimTex, LLC	1339 N Loop 1604 W. San Antonio, TX 78258	210-787-1996	Hosted
TX	San Antonio	**Robert Canales** Swimsa, LLC	17026 Bulverde Rd. San Antonio, TX 78247	210-538-7177	Dedicated
TX	Sugarland	**Cammile Adams** Catch Swim Schools, LLC	19880 Southwest Freeway Sugarland, TX 77479	713-234-1350	Hosted

State	City	Name of Operator	School Address	School Phone Number	Location Type
WA	Bellevue	**Ramneek Kooner (Area Developer)** Ramko Learn and Play, Inc.	15053 Main Street Bellevue, WA 98007	206-456-9997	Hosted
WA	Issaquah	**Ramneek Kooner (Area Developer)** Ramko Learn and Play, Inc.	5712 E Lake Sammamish Pkwy SE #200 Issaquah, WA 98029	425-367-0270	Hosted
WA	Kent	**Ramneek Kooner (Area Developer)** Ramko Learn and Play, Inc.	20600 108th Ave. SE Kent, WA 98031	253-367-7337	Hosted
WA	Kirkland	**Ramneek Kooner (Area Developer)** Ramko Learn and Play, Inc.	12321 120th Place NE Kirkland, WA 98034	425-698-2093	Hosted
WA	Mill Creek	**Ramneek Kooner (Area Developer)** Ramko Learn and Play, Inc.	15024 Main Street Mill Creek, WA 98012	425-698-2094	Hosted
WA	Redmond	**Ramneek Kooner (Area Developer)** Ramko Learn and Play, Inc.	7320 170th Ave NE Redmond, WA 98052	206-905-4544	Hosted
WA	Renton	**Ramneek Kooner (Area Developer)** Ramko Learn and Play, Inc.	14060 SE Petrovisky Rd. Renton, WA 98058	425-293-0657	Hosted
WA	Renton	**Ramneek Kooner (Area Developer)** Ramko Learn and Play, Inc.	715 North Landing Way Renton, WA 98057	425-628-2553	Hosted

FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT YET OPENED (AS OF DECEMBER 31, 2024)

State	City	Name of Operator	School Address	Phone Number or Email	Location Type
AL	Huntsville	**Kristin Stitt (Area Developer)** Northern Alabama Swim Schools, LLC	3228-B Leeman Ferry Rd. Huntsville, AL 35801	kstitt6@icloud.com	Dedicated
AL	Madson	**Kristin Stitt (Area Developer)** Northern Alabama Swim Schools, LLC	113 Field View Lane Madison, AL 35756	kstitt6@icloud.com	Dual Brand
CA	Sacramento	**Misha Lindsey** Dancing Dolphin, LLC	4690-4780 Natomas Blvd. Sacramento, CA 958835	mishalindsey@gmail.com	Dedicated
CA	San Ramon	Rajesh Padiyal	11000 Bollinger Canyon R. San Ramon, CA 94582	padiyal@gmail.com	Dedicated
CA	Tracy	**Venus Chhabra** ZR Enterprise, LLC	600 Valpico Rd. Tracy, CA 95376	chhabra.venus1 @gmail.com	Dedicated
CO	Brighton	**Jessica Jaramillo** J.K. Enterprises Ltd.	1855 E Southern St. Brighton, CO 80601	jksmith6387@gmail.com	Hosted
CO	Denver	**Jessica Jaramillo** J.K. Enterprises Ltd.	7001 Yampa Street Denver, CO 80249	jksmith6387@gmail.com	Hosted
KY	Lexington	**Amy Albiero** Albiero Swimming Institute, LLC	Intersection of Man O' War Blvd and Harrordsburg Rd., Lexington, KY 40513	Coachamy@cardinalaquat icslou.com	Dedicated
MD	Owings Mills	**Ravi Atluri (Area Developer)** Splash Fun, Inc.	10040 Reisterstown Rd. Owings Mills, MD 21117	443-400-5254	Hosted
MO	Liberty	Chris Wright Little Fishies, LLC	291 and Withers Rd. Liberty, MO 64068	chrisiswright@yahoo.com	Dedicated
MO	TBD	**Sanjay Garapati** Matsya, LLC	Missouri – (Exact location to be determined during site selection process)	sanjay@swimtastic.com	Dedicated
MO	TBD	**Sanjay Garapati** Matsya, LLC	Missouri – (Exact location to be determined during site selection process)	sanjay@swimtastic.com	Dedicated
NC	Concord	Vijay Chintakrinda	6230 Bayfield Pkwy #6330a Concord, NC 28027	vijaysankar.c@gmail.com	Dedicated

State	City	Name of Operator	School Address	Phone Number or Email	Location Type
NC	Harrisburg	Vijay Chintakrinda	6805 Jenkins Ln. Harrisburg, NC 28075	vijaysankar.c@gmail.com	Dedicated
NJ	South Plainfield	**Premal Dhebariya (Area Developer)** Splash with Friends South Plainfield, LLC	107 Corporate Blvd. South Plainfield, NJ 07080	732-314-6793	Dedicated
NJ	Woolwich Township	**Kenur Talsania (Area Developer)** Mahavir NJ, LLC	1111 Swedesboro Rd Route 322 Woolwich Township, NJ 08085	856-202-7259	Dedicated
OH	Grove City	**Scott Hamman** Ohio Swim Association, LLC	1645 Gateway Circle Grove City, OH 43123	scott.c.hamman @gmail.com	Dedicated
OH	Mason	**William McGurk** sWAMZ, LLC	5948 Snider Rd. Mason, OH 45040	wemcgurk@hotmail.com	Dedicated
OH	Milford	**Alpesh Patel** Yogi Bapa Enterprises, Inc.	745 Center Street Milford, OH 45150	alppatelusz@yahoo.com	Dedicated
OR	Bend	**Grant Jaffarian (Area Developer)** AquaFlec, LLC	409 NE Greenwood Ave Ste 110 Bend, OR 97701	grantjaffarian@gmail.com	Dual Brand
PA	Philadelphia	**Janelle Butler** Black Molly Fish Enterprises, LLC	Philadelphia, Pennsylvania (Exact location to be determined at site selection)	jbutler0001@gmail.com	Dedicated
SC	Indian Land	**Leila O'Brien (Area Developer)** KBSquared, Inc.	8458 Charlotte Highway Indian Land, SC 29707	leobrien3@gmail.com	Dedicated
SC	Simpsonville	**Davis Tarwater (Area Developer)** Southeastern Swim School, LLC	2607 Woodruff Rd, Suite 200 Simpsonville, SC 29681	864-447-5425	Dual Brand
TX	Austin	**Siva Papolu** Sarasvi AquaPros, LLC	2020 W Anderson Lane Austin, TX 78757	512-851-1150	Hosted
TX	Cypress	**Cammile Adams** Catch Swim Schools, LLC	20931 Tuckerton Rd. Cypress, TX 77433	281-607-5559	Dedicated
TX	Leander	**Sukesh Bodavula** Safeswim Partners, LLC	2079 US 183 Leander, TX 78641	sukesh.bodavula @gmail.com	Dedicated
TX	McAllen	**Aleck Rios** H20 Swimming STX, LLC	Intersection of N. 10th St & Trenton McAllen, TX 78504	Aleckrios@gmail.com	Dedicated

State	City	Name of Operator	School Address	Phone Number or Email	Location Type
TX	Prosper	**Adeel Qureshi (Area Developer)** Inaizah Swim, LLC	2760 W. First Street Prosper, TX 75078	adeel @esmeshsolutions.com	Dedicated
TX	Round Rock	**Siva Papolu** Sarasvi AquaPros, LLC	16600 Ranch Rd. 620 Round Rock, TX 78681	512-846-7385	Hosted
TX	Temple	**Jesse Blackwell** Swim Temple, LLC	7546 Prairie View Rd. 110, Temple, TX 76502	254-517-2844	Dedicated
TX	Tyler	**Chaney Gipson** ChanJam Swim, LLC	7428 Old Jacksonville Hwy. Unit 20 Tyler, TX 75703	chaneylenn7@gmail.com	Dual Brand
TX	Victoria	**Ricky Berens** Lane 6, LLC	5000 N. Navarro St. Victoria, TX 77904	rcberens@gmail.com	Dedicated
VA	Alexandria	**Rahul Jain (Area Developer)** TJ Aquatics, LLC	5508 Franconia Rd. Alexandria, VA 22310	rahulj6415@yahoo.com	Dedicated
VA	Ashburn	**Ravi Atluri (Area Developer)** Splash Fun, Inc.	23651 Strickland Dr. Ashburn, VA 20148	nagesh.puli@gmail.com	Dedicated
WA	University Place	**Ramneek Kooner (Area Developer)** Ramko Learn and Play, Inc.	3515 Bridgeport Way W. University Place, WA 98466	ginny.sandhu@gmail.com	Dual Brand

LIST OF AFFILIATE-OWNED
SAFESPLASH SWIM SCHOOLS
(AS OF DECEMBER 31, 2024)

Arizona

Chandler – Hosted Location – 4185 S. Gilbert Rd., Chandler, AZ 85249
Gilbert – Dedicated Location – 82 W. Ray Rd., Gilbert, AZ 85233
Scottsdale – Dedicated Location – 9380 E. Bahia Dr., Suite A104, Scottsdale, AZ 85260

California

Fremont – Hosted Location – 39153 Farwell Drive, Fremont, CA 94538
Fremont / Auto Mall – Hosted Location – 4500 Auto Mall Parkway, Fremont, CA 94538
Hayward – Hosted Location – 24080 Whipple Road, Hayward, CA 94544
Milpitas – Hosted Location – 719 E. Calaveras Blvd., Milpitas, CA 95035
Mountain View – Hosted Location – 1040 Grant Road, Suite 165, Mountain View, CA 94040
San Jose / Campbell – Hosted Location – 1825 Hillsdale Ave Ste A, San Jose, CA 95124
San Jose / Crane Court – Hosted Location – 1610 Crane Court, San Jose, CA 95112
Santa Clara – Hosted Location – 3615 El Camino Real, Santa Clara, CA 95051
Sunnyvale – Hosted Location – 150 E. Fremont Ave, Sunnyvale, CA 94087

Colorado

Aurora – Dedicated Location – 5930 S. Gun Club Rd., Aurora, CO 80016
Aurora - Parker and Arapahoe – Hosted Location – 5900 E. Briarwood Circle, Aurora, CO 80016
Denver – Dedicated Location – 4151 E .Colfax, Denver, CO 80222
Parker/Lone Tree– Dedicated Location – 12240 Lioness Way, Parker, CO 80134

Georgia

Decatur – Hosted Location – 1496 Church St., Atlanta, GA 30030
Tucker – Hosted Location – 1990 West Exchange Pl., Tucker, GA 30084

Maryland

Jessup – Dedicated Location – 7351 Assateague Dr., Ste 394, Jessup, MD 20794
Laurel – Dedicated Location – 327 Montrose Avenue, Laurel, MD 20707
Montgomery Village – Dedicated Location – 19312 Montgomery Village Ave., Montgomery Village, MD 20886

Missouri

Cottleville – Dedicated Location – Cottleville Parkway, Cottleville, MO 66304

Nevada

Las Vegas / Sahara – Hosted Location **–** 8125 W. Sahara Ave., #100, Las Vegas, NV 89117
Las Vegas / Russell – Hosted Location **–** 3325 E. Russell Rd., Las Vegas, NV 89120

Rhode Island

Bristol – Dedicated Location **–** 15 Gooding Ave, Bristol, RI 02809
West Warwick – Dedicated Location **–** 255 Legris Ave., West Warwick, RI 02893

Texas

Saginaw – Dedicated Location **–** 7044 N Blue Mound Rd., Fort Worth, TX 76131

Virginia

Chantilly – Dedicated Location **–** 13985 Metrotech Drive, Chantilly, VA 20151
Sterling – Dedicated Location **–** Town Center at Sterling, 21800 Town Center Plaza, Sterling, VA 20164

FDD EXHIBIT F

LIST OF FRANCHISEES WHO LEFT THE SYSTEM

List of franchisees who had an outlet terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business during the fiscal year which ended December 31, 2024, or who have not communicated with us within 10 weeks of the date of this Franchise Disclosure Document:

State	City	Name	Last Known Phone Number	Location Type	Category
CA	Carlsbad	**Rodney Weinstein (Area Developer)*** Westchester Swim Studios, Inc.	914-953-1703	Hosted	Ceased Operations
CA	Irvine	**Rodney Weinstein (Area Developer)*** Westchester Swim Studios, Inc.	914-953-1703	Hosted	Ceased Operations
CA	Los Angeles	**Rodney Weinstein (Area Developer)*** Westchester Swim Studios, Inc.	914-953-1703	Hosted	Ceased Operations
CA	Sacramento	**Darin Mai*** Freeform Aquatics, Inc.	916-792-7858	Hosted	Ceased Operations
CA	San Diego	**Rodney Weinstein (Area Developer)*** Westchester Swim Studios, Inc.	914-953-1703	Hosted	Ceased Operations
CA	San Diego	**Rodney Weinstein (Area Developer)*** Westchester Swim Studios, Inc.	914-953-1703	Hosted	Ceased Operations
CA	Santee	**Rodney Weinstein (Area Developer)*** Westchester Swim Studios, Inc.	914-953-1703	Hosted	Ceased Operations
CO	Lakewood	**Jaime Zilverberg*** Colorado Swimmer, LLC	303-625-9912	Hosted	Transfer
GA	Decatur	**Justin Hart** JCH Sports, LLC	404-867-3766	Hosted	Reacquisition
GA	Tucker	**Justin Hart** JCH Sports, LLC	404-867-3766	Hosted	Reacquisition
MD	Rockville	**Michael Lilintahl*** Lilintahl, LLC	443-799-1930	Hosted	Ceased Operations
MD	Silver Spring	**Michael Lilintahl*** Lilintahl, LLC	443-799-1930	Hosted	Ceased Operations
MD	Wheaton	**Michael Lilintahl*** Lilintahl, LLC	443-799-1930	Hosted	Ceased Operations
MI	Royal Oak	**Faisal Imam** AASI, LLC	240-593-7876	Hosted	Ceased Operations

State	City	Name	Last Known Phone Number	Location Type	Category
MI	Southfield	**Faisal Imam** AASI, LLC	240-593-7876	Hosted	Ceased Operations
MI	Troy	**Faisal Imam** AASI, LLC	240-593-7876	Hosted	Ceased Operations
NH	Manchester	**Jay Hickman (Area Developer)*** Aquatics Projects Hosted, LLC	617-816-0497	Hosted	Ceased Operations
NJ	Parsippany	**Jay Hickman (Area Developer)*** Aquatics Projects Hosted, LLC	617-816-0497	Hosted	Ceased Operations
NY	Pelham	**Rodney Weinstein (Area Developer)*** Westchester Swim Studios, Inc.	914-953-1703	Hosted	Ceased Operations
TN	Cordova	**Adam Byars (Area Developer)*** AR Swim Schools, Inc.	706-495-8468	Hosted	Ceased Operations
TX	Grand Prairie	**Edith Mingle*** Thide, LLC	972-965-1971	Hosted	Ceased Operations
TX	Murphy	**Mike Scrivner**** DFW Swim LM, LLC	214-725-9207	Hosted	Ceased Operations
TX	Plano	**Adeel Qureshi (Area Developer)*** Esmesh Investments, LLC	972-904-5824	Hosted	Ceased Operations
TX	San Antonio	**Robert Canales*** SwimTex, LLC	210-480-9420	Hosted	Ceased Operations

* Closed a SafeSplash Business but continues to operate other SafeSplash Businesses in the system.

** Temporarily closed a SafeSplash Business but relocated it to a new location in 2025.

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

<u>FDD EXHIBIT G</u>

FINANCIAL STATEMENTS

SafeSplash Brands, LLC
d/b/a Streamline Brands
(A Limited Liability Company)

Financial Report
December 31, 2024

Contents

Independent Auditor's Report

Board of Managers
SafeSplash Brands, LLC
d/b/a Streamline Brands

Opinion
We have audited the financial statements of SafeSplash Brands, LLC d/b/a Streamline Brands (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, member's equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

RSM US LLP

Fort Lauderdale, Florida
April 16, 2025

SafeSplash Brands, LLC
d/b/a Streamline Brands
(A Limited Liability Company)

Balance Sheets
December 31, 2024 and 2023

	2024	2023
Assets		
Current assets:		
Cash	$ 1,188,993	$ 121,053
Accounts receivable, net	174,735	93,380
Contract assets	55,309	115,819
Notes receivable	127,476	57,246
Other current assets	109,889	31,869
Due from affiliates, net	2,443,215	1,897,870
Total current assets	4,099,617	2,317,237
Goodwill	919,524	919,524
Other assets:		
Notes receivable, net of current portion	54,307	112,405
Contract assets, net of current portion	832,255	434,896
Other assets	-	46,079
Total other assets	886,562	593,380
Total assets	$ 5,905,703	$ 3,830,141
Liabilities and Member's Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 320,451	$ 578,595
Deferred revenue	351,473	94,406
Total current liabilities	671,924	673,001
Deferred revenue, net of current portion	3,070,738	2,948,289
Total liabilities	3,742,662	3,621,290
Commitments and contingencies (Notes 3 and 4)		
Member's equity	2,163,041	208,851
Total liabilities and member's equity	$ 5,905,703	$ 3,830,141

See notes to financial statements.

SafeSplash Brands, LLC
d/b/a Streamline Brands
(A Limited Liability Company)

Statements of Income
Years Ended December 31, 2024 and 2023

	2024	2023
Revenue:		
Royalties, technology fees and other	**$ 6,411,501**	$ 7,112,914
Strategic marketing fund revenue	**1,986,770**	1,897,645
Franchise fees	**351,110**	551,268
Total revenue	**8,749,381**	9,561,827
Operating expenses:		
General and administrative	**4,304,082**	6,380,623
Marketing and advertising	**2,491,109**	1,144,273
Total operating expenses	**6,795,191**	7,524,896
Net income	**$ 1,954,190**	$ 2,036,931

See notes to financial statements.

SafeSplash Brands, LLC
d/b/a Streamline Brands
(A Limited Liability Company)

Statements of Member's Equity
Years Ended December 31, 2024 and 2023

	Total Member's Equity
Balance, December 31, 2022	$ 2,671,920
Distribution to member	(4,500,000)
Net income	2,036,931
Balance, December 31, 2023	208,851
Net income	1,954,190
Balance, December 31, 2024	**$ 2,163,041**

See notes to financial statements.

SafeSplash Brands, LLC
d/b/a Streamline Brands
(A Limited Liability Company)

Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Net income	$ 1,954,190	$ 2,036,931
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	(81,355)	212,690
Due from affiliates, net	(545,345)	1,685,210
Contract assets	(336,849)	(49,972)
Other assets	(31,941)	106,192
Accounts payable and accrued expenses	(258,144)	315,309
Deferred franchise revenue	379,516	63,769
Net cash provided by operating activities	1,080,072	4,370,129
Cash flows from investing activities:		
Repayments on notes receivable	64,810	349,439
Advances on notes receivable	(76,942)	(237,500)
Net cash (used in) provided by investing activities	(12,132)	111,939
Cash flows from financing activities:		
Distributions	-	(4,500,000)
Net cash used in financing activities	-	(4,500,000)
Net increase (decrease) in cash	1,067,940	(17,932)
Cash:		
Beginning	121,053	138,985
Ending	$ 1,188,993	$ 121,053

See notes to financial statements.

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: SafeSplash Brands, LLC d/b/a Streamline Brands (the Company) is a single member limited liability company that was organized on January 4, 2014 under the state of Colorado.

The Company offers franchises under the “SAFESPLASH” brand and operates under the “SWIMLABS” and “SWIMTASTIC” brands, which provide “learn to swim” programs for children and adults, birthday parties, summer camps and other swimming-related activities.

The Company offers franchises throughout the United States under two formats: a dedicated location format where the franchisee has a free-standing location and a hosted location format where the franchisee leases a swimming pool from a third-party fitness center, health club, dive shop or recreational facility. The Company franchises throughout the United States.

A summary of the Company’s significant accounting policies follows:

Basis of presentation: The financial statements have been prepared using the accrual method in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

These financial statements do not reflect the effects of the Company being acquired in 2022, as the Company has not elected pushdown accounting related to this acquisition.

Use of estimates: The preparation of financial statements, in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and reported amounts of revenue and expenses in the financial statements, and related disclosures. Accordingly, actual amounts could differ from those estimates.

Cash and concentration risk: Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash. The Company maintains its cash deposits in a bank account, which at times exceeds the Federal Deposit Insurance Corporation’s (FDIC). The Company has not experienced any losses in such accounts.

Accounts receivable: Receivables are unsecured obligations due from franchisee’s and sponsorship partners under terms requiring payments generally within 30 days from the service or agreement date. Receivable balances that aged over 30 days are reviewed for delinquency. Management reviews these accounts taking into consideration the size of the outstanding balance and the past history with the franchisee or sponsorship partner. Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. The carrying amount of receivables is reduced by an allowance for credit losses that reflects management’s best estimate of the amount that will not be collected.

Payments on accounts receivable are allocated to specific invoices identified on the franchisee or sponsorship’s remittance advice or, if unspecified, are applied to earliest unpaid invoices.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Allowance for credit losses on accounts receivable and notes receivable: The Company offsets gross trade accounts receivable with an allowance for credit losses. The allowance for credit losses is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable and is based upon historical loss patterns, the number of days that billings are past due, and an evaluation of the potential risk of loss associated with specific accounts. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Provisions for allowances for credit losses are recorded in general and administrative expense.

Estimating credit losses based on risk characteristics requires significant judgment by the Company. Significant judgments include but are not limited to assessing current economic conditions and the extent to which they would be relevant to the existing characteristics of the Company's financial assets, the estimated life of financial assets and the level of reliance on historical experience in light of economic conditions. The Company reviews and updates, when necessary, its historical risk characteristics that are meaningful to estimating credit losses, any new risk characteristics that arise in the natural course of business and the estimated life of its financial assets

Changes in the Company's allowance for credit losses are as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Beginning balance	$ 22,250	$ 57,963
Bad debt recoveries	(14,750)	(35,713)
Ending balance	$ 7,500	$ 22,250

Credit risk: The Company grants credit in the normal course of business to franchisees in the United States. The Company periodically performs credit analyses and monitors the financial condition of its franchisees to reduce credit risk. The Company performs ongoing credit evaluations of its franchisees, but generally does not require collateral to support accounts receivable.

Contract balances: The Company records accounts receivable, contract assets and notes receivable, when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. Opening balances as of January 1, 2023, were as follows:

	2023
Accounts receivable, net of allowance for credit losses	$ 306,070
Contract assets	500,743
Notes receivable	281,590
Deferred revenue	2,978,926

Contract assets: Contract assets consist of sales commission and referral fees incurred to obtain franchise agreements. These costs are considered incremental and recoverable costs of obtaining a contract with a customer. These contract assets are deferred and amortized on a straight-line basis over an average contract term ranging from five to 10 years. Amortization expense is included in the selling, general and administrative expenses on the accompanying statements of income.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Deferred revenue: Deferred revenue is a contract liability consisting of cash received for franchise fee revenue that is recognized over time, based on the term of the franchise agreement. The current portion of deferred revenue represents the unearned revenue collected in advance and to be earned within 12 months of the balance sheet date. Correspondingly, noncurrent deferred revenue represents the unearned revenue to be earned after 12 months from the balance sheet date.

Goodwill: The recorded amounts of goodwill relating to the acquisitions of Swimtastic Corporation in November 2015 and SwimLabs in 2017, are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. Goodwill is not amortized, but rather is assessed for impairment at least on an annual basis, or upon the occurrence of a triggering event. No impairment charge was recognized during the years ended December 31, 2024 and 2023.

Revenue recognition: The Company recognizes revenue in accordance with Accounting Standards Codification 606, *Revenue from Contracts with Customers (Topic 606)*. Under this Topic 606, an entity is required to recognize revenue upon transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The Company's revenue is generated primarily from royalties, technology and other fees, strategic marketing fund revenue and franchise fees.

Royalties, technology fees and other fees: In accordance with the terms of their franchise agreements, franchisees are charged a monthly royalty typically ranging from 3% to 6% of gross sales. In addition, franchisees operating a hosted location incur an additional charge of 15% to 22.5% of gross sales, or the base rent of $2,500 (whichever is greater) as set by the hosted location owner. The amounts are recognized as a liability when received and passed onto the owner of the location the following month. Franchisees that elect to receive enhanced technological and administrative services from the Company incur an additional charge of up to 13%, typically 10%, of gross sales. If the enhanced services are not elected, franchisees are charged a flat technology fee of $400 per month. An annual cloud portal fee of $125 is also charged.

Strategic marketing fund fees: In accordance with the terms of their franchise agreements, franchisees are charged a monthly strategic marketing and promotions fee of 2% of gross sales.

Royalties, enhanced services fess and strategic marketing fund fees are collected by the Company at the time the franchisee's customers are charged for services. Flat fees for technology are charged according to their periodic basis.

Franchise fees: The Company sells individual franchisees the right to operate a school within a defined territory using the franchise name. The initial term of franchise agreements is typically 10 years, with an option to renew or transfer the franchise agreement to a new or existing franchisee, at which point a transfer fee is typically paid. The initial franchise fees generally range from $18,750 to $55,000, depending on the location type, and are due and typically paid when a franchise agreement is executed. The initial franchise fees are generally nonrefundable.

Area development fees are also received pursuant to area development agreements, which grant the right to develop multiple franchised swim schools in future periods in specific geographic areas. Area development fees, representing a collection of initial franchise fees associated with the number of swim schools to be opened, are due and typically paid when the area development agreement is executed and are generally nonrefundable. Initial franchise fees and area development fees are collected prior to the satisfaction of the Company's performance obligation, resulting in the Company recognizing deferred revenue.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The Company has obligations to provide franchisees with the franchise rights to operate a swim school, training and site selection and provide technology and advertising for which fees are charged. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation. Therefore, initial franchise fees for each franchise agreement are allocated to each individual franchisee and recognized over the term of the respective franchise agreement from the date the franchise is opened. Area development fees are also recognized over the term of the respective franchise agreement from the date the franchise is opened. Renewal fees are recognized over the renewal term for the respective franchise from the start of the renewal period. Transfer fees are recognized over the remaining term of the franchise agreement beginning at the time of transfer. Income for royalties is recognized over the term of the respective franchise agreement as the underlying sales occur. When a franchise agreement is terminated voluntarily by the franchisee or due to the default of the franchisee, the Company recognizes the remaining initial franchise fee as revenue earned, as no further performance obligations need to be satisfied, and the initial franchise fee is not refundable per the franchise agreement.

Total revenue recognized at a point in time and over time for the years ended December 31, 2024 and 2023, was as follows:

	2024	2023
Revenue recognized at a point in time	$ 8,398,271	$ 9,010,559
Revenue recognized over time	351,110	551,268
	$ 8,749,381	$ 9,561,827

Deferred revenue as of December 31, 2024 and 2023, was approximately $3,422,000 and $3,043,000, respectively.

Allocating the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees with the franchise rights to service customers. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements, and that agreements will not be canceled, renewed or modified.

The Company’s franchise agreements with franchisees have transaction prices that contain a fixed and variable component. Fixed consideration includes revenue related to franchise fees and variable consideration includes revenue related to royalties and strategic marketing fund fees as the transaction price is based on the franchisees’ sales. The variable consideration is recognized based on the actual amounts earned each month. Since the Company considers the licensing of the franchise right to be a single performance obligation, no allocation of the transaction price is required.

Cost of obtaining a franchise agreement: The Company occasionally incurs commission expenses paid internal employees to obtain franchise agreements with franchisees. The commissions are related to franchise fee revenue and are deferred and recognized over the term of the respective franchise agreement.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Advertising costs: The Company expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2024 and 2023, was approximately $2,491,000 and $1,144,000, respectively.

Income taxes: As a limited liability company, the Company's taxable income or loss is allocated to the member in accordance with their respective percentage ownership. Therefore, no provision or liability for income taxes has been included in the financial statements.

U.S. GAAP requires management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

In December 2019, the FASB issued Accounting Standards Update (ASU) 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which is intended to simplify various areas related to the accounting for income taxes and improve consistent application of Topic 740. The new standard clarifies that companies are permitted, but not required, to allocate income tax expense to legal entities that are not subject to tax. The Company has adopted this standard as of January 1, 2022, and is not electing to allocate income tax expense to these financial statements.

Risks and uncertainties: The Company is subject to a number of risks associated with companies at a similar stage, including dependence on key individuals, competition from similar products and larger companies, volatility of the industry, ability to obtain adequate financing to support growth and general economic conditions.

Reclassifications: Certain items have been reclassified in the prior year's financial statements in order to conform to the current year presentations. Such reclassifications had no effect on total assets, net income, member's equity of the cash flows of the Company.

Subsequent events: Management has evaluated subsequent events through April 16, 2025, which is the date the financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

Note 2. Notes Receivable

Notes receivable consist of the following:

	2024	2023
Various notes receivable from franchisees, bearing interest between 0% and 9%. In lieu of payment, the Company retains 5% of the franchisees' swimming revenue, registration fees and late withdrawal fees generated at the franchisees' locations until the time that the principal balance is paid in full. The notes are guaranteed by the franchisees.	$ 181,783	$ 169,651
Less current portion	(127,476)	(57,246)
Long-term portion	$ 54,307	$ 112,405

Note 3. Related-Party Transactions

Due to/from affiliates: In the normal course of its operations, the Company processes transactions with affiliated entities, which are settled periodically. The net effect of these transactions resulted in due from affiliates and due to affiliates of approximately $2,471,000 and $22,050,000 and approximately $26,000 and $20,152,000, respectively, as of December 31, 2024 and 2023. The nature of these transactions primarily consists of the following:

Services provided to the Company and franchisees by affiliates: SafeSplash HQ, LLC (HQ), an entity under common control with the Company, provides corporate services to the Company, as well as enhanced administrative services to franchisees, including customer relationship management, billing and collection services, website management, and scheduling. During the years ended December 31, 2024 and 2023, HQ allocated approximately $1,656,000 and $3,080,000, respectively, to the Company for corporate and enhanced administrative services. Services provided to franchisees were charged directly by the Company in 2024 and 2023. As of December 31, 2024 and 2023, approximately $100,000 and $8,209,000, respectively, was due to HQ. Amounts allocated to the Company are based on a predetermined rate for corporate services and a rate per student for franchisee services.

Royalties and strategic marketing fund revenue collected from franchisees and Company owned swim schools: In 2023, SafeSplash DFW, LLC (DFW), an affiliate of the Company, collected on behalf of the Company royalties and strategic marketing fund revenue from franchisees and from company-owned swim schools, which are held in entities that share common ownership. These revenues are recorded by the Company via related party transactions. As of December 31, 2023, approximately $4,043,000, was due from DFW and affiliated company-owned swim schools for the collection of royalties and strategic marketing fund revenue.

At the beginning of 2024, DFW became a non-operating affiliate and all DFW amounts due to and from affiliates were settled. In addition, SafeSplash Swim School Parker, LLC (Parker), another affiliate of the Company, became the sole owner-operator of all company-owned swim schools. As such, in 2024, the Company self-collected royalties and strategic marketing fund revenue from franchisees and from Parker. As of December 31, 2024, approximately $793,000 was due to the Company from Parker.

During the years ended December 31, 2024 and 2023, the Company recognized strategic marketing fund revenue of approximately $850,000 and $801,000, respectively, from Parker and affiliated company-owned swim schools.

Guarantee: The Company has guaranteed long-term debt of YEB Intermediate Holdings, LLC (Intermediate), an upstream Affiliate of the Company. In the event of a default by Intermediate, the Company and certain Affiliates could be obligated to repay the full amount outstanding on this debt. As of December 31, 2024 and 2023, the potential future obligation under this guarantee totaled approximately $273,000,000 and $245,000,000, respectively, and is payable through October 2027. In the event the Company is required to make payments under this guarantee, the Company could seek to recover those amounts from Intermediate. Additionally, the Company’s assets and franchise license agreements are pledged as collateral under the long-term debt. As of December 31, 2024 and 2023, the Company is unaware of any circumstances that would require performance under this guarantee.

Note 4. Commitments and Contingencies

Legal matters: The Company is subject to various claims and legal proceedings that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Company.

SafeSplash Brands, LLC
d/b/a Streamline Brands
(A Limited Liability Company)

Financial Report
December 31, 2023

Contents

Independent Auditor's Report

Board of Directors
SafeSplash Brands, LLC
d/b/a Streamline Brands

Opinion
We have audited the financial statements of SafeSplash Brands, LLC d/b/a Streamline Brands (the Company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, member's equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

RSM US LLP

Fort Lauderdale, Florida
April 15, 2024

SafeSplash Brands, LLC
d/b/a Streamline Brands
(A Limited Liability Company)

Balance Sheets
December 31, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash	**$ 121,053**	$ 138,985
Accounts receivable, net	**93,380**	306,070
Notes receivable, current	**169,651**	45,998
Due from affiliates, net	**1,897,870**	3,583,080
Deferred franchise costs, current	**115,819**	124,516
Other current assets	**31,869**	106,178
Total current assets	**2,429,642**	4,304,827
Goodwill	**919,524**	919,524
Other assets:		
Notes receivable, net of current portion	**-**	235,592
Deferred franchise costs, net of current portion	**434,896**	376,227
Other noncurrent assets	**46,079**	77,962
Total other assets	**480,975**	689,781
Total assets	**$ 3,830,141**	$ 5,914,132
Liabilities and Member's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 578,595**	$ 263,286
Deferred revenue, current	**94,406**	460,716
Total current liabilities	**673,001**	724,002
Deferred revenue, net of current portion	**2,948,289**	2,518,210
Total liabilities	**3,621,290**	3,242,212
Member's equity	**208,851**	2,671,920
Total liabilities and member's equity	**$ 3,830,141**	$ 5,914,132

See notes to financial statements.

SafeSplash Brands, LLC
d/b/a Streamline Brands
(A Limited Liability Company)

Statements of Income
Years Ended December 31, 2023 and 2022

		2023		2022
Revenue:				
Franchise fees	**$**	**551,268**	$	308,510
Strategic marketing fund revenue		**1,897,645**		1,527,175
Royalties, technology fees and other		**7,112,914**		3,695,888
Total revenue		**9,561,827**		5,531,573
Operating expenses:				
General and administrative		**6,315,866**		2,224,688
Marketing and advertising		**1,209,030**		720,271
Total operating expenses		**7,524,896**		2,944,959
Net income	**$**	**2,036,931**	$	2,586,614

See notes to financial statements.

SafeSplash Brands, LLC
d/b/a Streamline Brands
(A Limited Liability Company)

Statements of Member's Equity
Years Ended December 31, 2023 and 2022

Balance, December 31, 2021	$	85,306
Net income		2,586,614
Balance, December 31, 2022		2,671,920
Distribution to member		(4,500,000)
Net income		2,036,931
Balance, December 31, 2023	**$**	**208,851**

See notes to financial statements.

SafeSplash Brands, LLC
d/b/a Streamline Brands
(A Limited Liability Company)

Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Net income	**$ 2,036,931**	$ 2,586,614
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	**212,690**	(142,628)
Due to affiliates, net	**1,685,210**	(2,626,704)
Deferred franchise costs	**(49,972)**	(235,023)
Other assets	**106,192**	(138,829)
Accounts payable and accrued expenses	**315,309**	(121,557)
Deferred franchise revenue	**63,769**	849,323
Net cash provided by operating activities	**4,370,129**	171,196
Cash flows from investing activities:		
Repayments on notes receivable	**349,439**	115,853
Advances on notes receivable	**(237,500)**	(172,500)
Net cash provided by (used in) investing activities	**111,939**	(56,647)
Cash flows from financing activities:		
Distributions	**(4,500,000)**	-
Net cash used in financing activities	**(4,500,000)**	-
Net (decrease) increase in cash	**(17,932)**	114,549
Cash:		
Beginning	**138,985**	24,436
Ending	**$ 121,053**	$ 138,985

See notes to financial statements.

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: SafeSplash Brands, LLC d/b/a Streamline Brands (the Company) was incorporated in the state of Colorado on January 4, 2014, and operates as a franchisor and franchising entity. The Company offers franchises under the "SAFESPLASH" brand and operates under the "SWIMLABS" and "SWIMTASTIC" brands, which provide "learn to swim" programs for children and adults, birthday parties, summer camps and other swimming-related activities.

The Company offers franchises under two formats: a dedicated location format where the franchisee has a free-standing location and a hosted location format where the franchisee leases a swimming pool from a third-party fitness center, health club, dive shop or recreational facility. The Company franchises throughout the United States.

In June 2022, Streamline Holdings, LLC (Holdings), the Company's parent, entered into an equity purchase agreement in which the majority of the combined business was sold to a third-party. As a result of the transaction, a change in control occurred. All membership interests in the Company were sold, and Holdings became indirectly wholly owned subsidiary of Youth Enrichment Brands, LLC (YEB). The transaction was accounted for by YEB, and management elected not to adopt push-down accounting related to the transaction.

A summary of the Company's significant accounting policies follows:

The Company follows accounting standards established by the Financial Accounting Standards Board (FASB). The FASB sets accounting principles generally accepted in the United States of America (U.S. GAAP) to ensure consistent reporting of the Company's financial condition, results of operations and cash flows. References to U.S. GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification (ASC or Codification).

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash: The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents. The Company maintains cash balances at a financial institution that is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. From time to time, cash accounts may exceed FDIC insured limits. The Company has not experienced any losses in such accounts.

Allowance for credit losses on accounts receivable and notes receivable: The Company considers a reserve for credit losses based on the creditworthiness of the franchisee. The provision for uncollectible amounts is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future losses. The allowance is management's best estimate of uncollectible accounts and is determined by estimating the collectability of each individual account balance on an ongoing basis. The losses ultimately incurred could differ materially in the near term from the amounts estimated in determining the allowance.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Changes in the Company's allowance for credit losses are as follows for the years ended December 31, 2023 and 2022:

	2023	2022
Beginning balance	$ 57,963	$ -
Bad debt expense (recovery)	(35,713)	57,963
Ending balance	$ 22,250	$ 57,963

Credit risk: The Company grants credit in the normal course of business to franchisees in the United States. The Company periodically performs credit analyses and monitors the financial condition of its franchisees to reduce credit risk. The Company performs ongoing credit evaluations of its franchisees, but generally does not require collateral to support accounts receivable.

Goodwill: The recorded amounts of goodwill relating to the acquisitions of Swimtastic Corporation in November 2015 and SwimLabs in 2017, are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. Goodwill is not amortized, but rather is assessed at least on an annual basis, or upon a triggering event that indicates impairment, for impairment. No impairment charge was recognized during the years ended December 31, 2023 and 2022.

Income taxes: As a limited liability company, the Company's taxable income or loss is allocated to the Member. Therefore, no provision or liability for income taxes has been included in the financial statements.

U.S. GAAP requires management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Risks and uncertainties: The Company is subject to a number of risks associated with companies at a similar stage, including dependence on key individuals, competition from similar products and larger companies, volatility of the industry, ability to obtain adequate financing to support growth and general economic conditions.

Revenue recognition: The Company recognizes revenue in accordance with Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The Company earns revenue from its franchised swim schools, which includes royalties, franchise fees, area development fees, strategic marketing fund fees and technology fees. The Company sells individual franchisees the right to operate a school within a defined territory using the franchise name. The initial term of franchise agreements is typically 10 years, with an option to renew or transfer the franchise agreement to a new or existing franchisee, at which point a transfer fee is typically paid.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The Company has obligations to provide franchisees with the franchise rights to operate a swim school, training and site selection and provide technology and advertising for which fees are charged. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation. Therefore, initial franchise fees for each franchise agreement are allocated to each individual franchisee and recognized over the term of the respective franchise agreement from the date the franchise is opened. Area development fees are also recognized over the term of the respective franchise agreement from the date the franchise is opened. Renewal fees are recognized over the renewal term for the respective franchise from the start of the renewal period. Transfer fees are recognized over the remaining term of the franchise agreement beginning at the time of transfer. Income for royalties is recognized over the term of the respective franchise agreement as the underlying sales occur. When a franchise agreement is terminated voluntarily by the franchisee or due to the default of the franchisee, the Company recognizes the remaining initial franchise fee as revenue earned, as no further performance obligations need to be satisfied, and the initial franchise fee is not refundable per the franchise agreement.

Total revenue recognized at a point in time and over time for the years ended December 31, 2023 and 2022, was as follows:

	2023	2022
Revenue recognized at a point in time	$ 9,010,559	$ 5,223,063
Revenue recognized over time	551,268	308,510
	$ 9,561,827	$ 5,531,573

Payment terms: The Company's franchise agreements require the payment of various fixed and variable fees. Initial franchise fees are due and typically paid when a franchise agreement is executed, and are generally nonrefundable. Area development fees are also received pursuant to area development agreements, which grant the right to develop franchised swim schools in future periods in specific geographic areas. Area development fees are due and typically paid when the area development agreement is executed and are generally nonrefundable. Initial franchise fees and area development fees are collected prior to the satisfaction of the Company's performance obligation, resulting in the Company recognizing deferred revenue. Enhanced administrative services fees, royalties and strategic marketing fund fees are collected by the Company at the time the franchisees customers are charged. Additional monthly fees are also charged for technology support provided to the franchisees. Deferred revenue as of December 31, 2023 and 2022, was approximately $3,043,000 and $2,979,000, respectively.

Allocating the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees with the franchise rights to service customers. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements, and that agreements will not be canceled, renewed or modified.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The Company's franchise agreements with franchisees have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties and strategic marketing fund fees as the transaction price is based on the franchisees' sales. The variable consideration is recognized based on the actual amounts earned each month. Since the Company considers the licensing of the franchise right to be a single performance obligation, no allocation of the transaction price is required.

Cost of obtaining a franchise agreement: The Company occasionally incurs commission expenses paid internal employees to obtain franchise agreements with franchisees. The commissions are related to franchise fee revenue and are deferred and recognized over the term of the respective franchise agreement.

Advertising expense: The Company expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2023 and 2022, was approximately $1,144,000 and $720,000, respectively.

Recent accounting pronouncement adopted: In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 were trade accounts receivable and notes receivable. The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements due to the short duration of customers' trade receivables and notes receivable. The Company does not have any available-for-sale debt securities.

Reclassifications: Certain items have been reclassified in the prior year's financial statements in order to conform to the current year presentations. Such reclassifications had no effect on total assets, net income, member's equity of the cash flows of the Company.

Subsequent events: Management has evaluated subsequent events through April 15, 2024, which is the date the financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

Note 2. Notes Receivable

Notes receivable consist of the following:

	2023	2022
Various notes receivable from franchisees, bearing interest between 0% and 9%. In lieu of payment, the Company retains 5% of the franchisees' swimming revenue, registration fees and late withdrawal fees generated at the franchisees' locations until the time that the principal balance is paid in full. The notes are guaranteed by the franchisees.	$ 169,651	$ 281,590
Less current portion	(169,651)	(45,998)
Long-term portion	$ -	$ 235,592

Note 3. Related-Party Transactions

Due to/from affiliates: In the normal course of its operations, the Company processes transactions with affiliated entities, which are settled periodically. The net effect of these transactions resulted in due from affiliates and due to affiliates of approximately $22,050,000 and $10,603,000 and approximately $20,152,000 and $7,020,000, respectively, as of December 31, 2023 and 2022. The nature of these transactions primarily consists of the following:

Services provided to the Company and franchisees by affiliates: SafeSplash HQ, LLC (HQ), an entity under common control with the Company, provides corporate and marketing services to the Company, as well as enhanced administrative services to franchisees, including customer relationship management, billing and collection services, website management, scheduling and marketing services. During the years ended December 31, 2023 and 2022, HQ allocated approximately $3,080,000 and $506,000, respectively, to the Company for corporate and marketing services. Services provided to franchisees were charged directly by the Company in 2023 and 2022. As of December 31, 2023 and 2022, approximately $8,209,000 and $6,529,000, respectively, was due to HQ. Amounts allocated to the Company are based on a predetermined rate for corporate and marketing expenses and a rate per student for franchisee services.

Royalties and strategic marketing fund revenue collected from franchisees and Company owned swim schools: SafeSplash DFW, LLC (DFW), an Affiliate of the Company, collects royalties and strategic marketing fund revenue from franchisees and company owned swim schools on behalf of the Company, which are recorded by the Company via related party transactions. As of December 31, 2023 and 2022, approximately $4,043,000 and $8,349,000, respectively, was due from DFW and company owned swim schools for the collection of royalties and strategic marketing fund revenue.

The Company collects royalties and strategic marketing fund revenue from company-owned swim schools, which are held in entities that share common ownership. During the years ended December 31, 2023 and 2022, the Company recognized royalties of approximately $0 and $1,041,000, and strategic marketing fund revenue of approximately $801,000 and $601,000, respectively, from company-owned swim schools.

Note 3. Related-Party Transactions (Continued)

Guarantor of Parent debt: The Company has guaranteed long-term debt of YEB Intermediate Holdings, LLC (Intermediate), an upstream Affiliate of the Company. In the event of a default by Intermediate, the Company and certain Affiliates could be obligated to repay the full amount outstanding on this debt. As of December 31, 2023 and 2022, the maximum potential future obligation under this guarantee totaled approximately $245,000,000 and $144,000,000, respectively, and is payable through October 2027. In the event the Company is required to make payments under this guarantee, the Company could seek to recover those amounts from Intermediate. Additionally, the Company's assets and franchise license agreements are pledged as collateral under the long-term debt. As of December 31, 2023 and 2022, the Company is unaware of any circumstances that would require performance under this guarantee.

Note 4. Commitments and Contingencies

Legal matters: The Company may become a party to various litigation matters and disputes in the ordinary course of the business. The Company is not aware of any existing legal claims at December 31, 2023 and 2022. As a result, no liability for potential legal claims has been recorded through December 31, 2023 and 2022.

THE FOLLOWING FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.

SafeSplash Brands, LLC
(A Limited Liability Company)

Balance Sheet (Unaudited)
March 31, 2025

		(Unaudited)
Assets		
Current assets:		
Cash	$	**1,118,918**
Accounts receivable, net		**123,213**
Contract assets		**59,235**
Notes receivable		**95,401**
Other current assets		**196,422**
Due from affiliates, net		**3,350,428**
Total current assets		**4,943,616**
Goodwill		**919,524**
Notes receivable, net of current portion		**56,074**
Contract assets, net of current portion		**842,407**
Total assets	**$**	**6,761,620**
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable and accrued expenses	**$**	**482,107**
Deferred revenue		**361,761**
Total current liabilities		**843,868**
Deferred revenue, net of current portion		**3,112,987**
Total liabilities		**3,956,855**
Members' equity:		
Members' equity		**2,804,765**
Total members' equity		**2,804,765**
Total liabilities and members' equity	**$**	**6,761,620**

SafeSplash Brands, LLC
(A Limited Liability Company)

Statement of Income (Unaudited)
Three-Month Period Ended March 31, 2025

	(Unaudited)
Revenue	
Royalties, technology fees and other	$ 1,622,097
Strategic marketing fund revenue	468,329
Franchise fees	82,881
Total revenue	2,173,307
Operating expenses:	
General and administrative	812,895
Marketing fees	718,690
Total operating expenses	1,531,585
Net income	$ 641,722

FDD EXHIBIT H

STATEMENT OF FRANCHISEE

THIS STATEMENT SHALL NOT BE COMPLETED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE FRANCHISE IS SUBJECT TO THE STATE FRANCHISE DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, MARYLAND, DO NOT SIGN THIS STATEMENT.

[Note: Dates and Answers Must be Provided by the Prospective Franchisee]

In order to make sure that no misunderstanding exists between you, the Franchisee, and us, SafeSplash Brands, LLC d/b/a/ Streamline Brands (also called "**Franchisor**," "**SafeSplash**," or "**we**") and to make sure that no violations of law might have occurred and understanding that we are relying on the statements you make in this document, you assure us as follows:

A. The following dates are true and correct:

	Date	Initials	
1.	__________________, ____	_____	The date on which I received a Franchise Disclosure Document regarding the SafeSplash Business.
2.	__________________, ____	_____	The date on which I received a completed copy (other than signatures) of the Franchise Agreement which I later signed.
3.	__________________, ____	_____	The date on which I signed the Franchise Agreement.
4.	__________________, ____	_____	The earliest date on which I delivered cash, check or other consideration to the Marketing Representative or an officer of SafeSplash Brands, LLC.

B. Representations.

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side agreements," options, right-of-first-refusal or otherwise have been made to or with me with respect to any matter (including but not limited to advertising, marketing, site location, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory or otherwise), nor have I relied in any way on same, except as

expressly listed in the Franchise Agreement or an attached written Addendum signed by me and SafeSplash except as follows: ____
____ Initial _____

(If none, you should note NONE and initial.)

2. No oral, written, visual or other promises, agreements, commitments, representation, understandings, "side agreements" or otherwise which expanded upon or were inconsistent with the Franchise Disclosure Document or the Franchise Agreement or any attached written addendum signed by me and an officer of the Franchisor, were made to me by any person or entity, nor have I relied in any way on same, except as follows:__________________________
____ Initial _____

(If none, you should note NONE and initial.)

3. Except as listed in ITEM 19 of the SafeSplash Brands, LLC d/b/a Streamline Brands Franchise Disclosure Document, no oral, written, visual or other claim or representation (including but not limited to charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise,) which stated or suggested a specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained) from SafeSplash Businesses, was made to me by any person or entity, nor have I relied in any way on any such, except as follows: _____
____ Initial _____

(If none, you should note NONE and initial.)

4. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including but not limited to my obtaining financing or my fully performing any of my obligations), nor have I relied in any way on same, except as described in the Franchise Agreement or any attached written Addendum signed by me and the Franchisor: _______________________
____ Initial _____

(If none, you should note NONE and initial.)

5. The individuals signing for me constitute all of the executive officers, partners, shareholders, investors and / or principals. Each of such individuals has reviewed the Franchise Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Franchise Agreement, each attached written Addendum and any personal guaranties.

6. I have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums and the Franchisor has strongly recommended that I obtain such independent advice. I have also been strongly advised by the Franchisor to discuss my proposed purchase of a SafeSplash Business with any existing SafeSplash or Swimtastic Franchisees prior to signing any binding documents or paying any sums and the Franchisor has supplied me with a list of all existing franchisees if any exist.

7. I understand that a) entry into any business venture necessarily involves some unavoidable risk or loss or failure; b) while the purchase of a franchise may improve the chances for success, the purchase of a SafeSplash Business or any other franchise is a speculative

investment; c) investment beyond that outlined in the Franchise Disclosure Document may be required to succeed; d) there exists no guaranty against possible loss or failure in this or any other business; and e) the most important factors in the success of any SafeSplash Business, including the one to be operated by me, are my personal business skills, which include marketing, sales and management and require sound judgment and extremely hard work.

If there are any matters inconsistent with the statements in this document or if anyone has suggested that you sign this document without all of its statements being true, correct and complete, immediately inform SafeSplash Brands, LLC d/b/a Streamline Brands (Phone: (720) 735-9511) and our President.

You understand and agree that we do not furnish, or authorize our salespersons, brokers or others to furnish any oral or written information concerning actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or information from which such items might be ascertained), from franchise or non-franchised units, that no such results can be assured or estimated and that actual results will vary from unit to unit.

You understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

This Statement of Franchisee is not intended to limit any rights you may have under local law.

PROSPECTIVE FRANCHISEE:	**MARKETING REPRESENTATIVE:**
______________________ _________ Date	______________________ _________ Date
______________________ (Printed Name)	______________________ (Printed Name)

REVIEWED BY FRANCHISOR:

By:______________________ ____________ Date

____
(Printed Name)

Its:______________________

FDD EXHIBIT I

STATE-SPECIFIC ADDENDA

ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, DEVELOPMENT AGREEMENT, STATEMENT OF FRANCHISEE, AND RELATED AGREEMENTS

The following modifications are to the SAFESPLASH BRANDS, LLC d/b/a STREAMLINE BRANDS Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated ______________________, Development Agreement dated _________________ and Statement of Franchisee.

CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, AND WISCONSIN

The following provision applies only to franchisees and franchised SafeSplash Businesses that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and/or Wisconsin:

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

CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

Neither the franchisor nor any person or franchise broker identified in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or nation securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

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

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq*.).

The Franchise Agreement and Development Agreement contain a covenant not to compete which, in the case of the Franchise Agreement extends beyond the termination of the franchise. This provision may not be enforceable under California law.

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

The Franchise Agreement requires binding arbitration. The arbitration will occur at the Denver, Colorado office of the American Arbitration Association, or at such other location as shall be mutually agreed upon by the parties in writing with the costs being borne equally between the parties, except that the parties each shall bear all of their own costs of arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281 and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement and Development Agreement require application of the laws of Colorado. This provision may not be enforceable under California law.

Section 31125 of the California Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Financial Protection & Innovation before we ask you to consider a material modification of the Franchise Agreement or the Development Agreement.

The Franchise Agreement and Development Agreement require you to sign a general release of claims if you transfer your franchise or your Development Agreement. California Corporations Code § 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§ 31000 through 31516). Business and Professions Code § 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§ 20000 through 20043).

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

(a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.

(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division.

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

HAWAII

The following is added to the Cover Page:

"THESE FRANCHISES WILL BE / HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED WITHIN THE FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS,

RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU."

The following list reflects the status of the franchise registrations of the Franchisor in the states which require registration:

D. This proposed registration is effective in the following states:

None

E. This proposed registration is or will shortly be on file in the following states:

California, Florida, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, Rhode Island, South Dakota, Utah, Virginia, Washington, and Wisconsin

F. States which have refused, by order or otherwise, to register these franchises are:

None

G. States which have revoked or suspended the right to offer the franchises are:

None

H. States in which the proposed registration of these franchises has been withdrawn are:

None

<u>ILLINOIS</u>

Illinois law governs the Franchise and Development Agreements.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise or Development Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise or area developer agreement may provide for arbitration to take place outside of Illinois.

Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

The following is added to the Franchise Disclosure Document and as Section 21.3 of the Development Agreement:

> "No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including

fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise."

See the last page of Exhibit I where you must sign and date this Illinois Addendum.

INDIANA

The "Summary" column in ITEM 17.r. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

"No competing business for two (2) years within the Protected Territory."

The "Summary" column in ITEM 17.t. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

"Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us."

The "Summary" column in ITEM 17.u. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

"Except for certain claims, all disputes must be arbitrated in Indiana. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act."

The "Summary" column in ITEM 17.v. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

"Litigation regarding Franchise Agreement in Indiana; other litigation in Colorado. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act."

The "Summary" column in ITEM 17.w. of the Franchise Disclosure Document is deleted and the following is inserted in its place:

"Indiana law applies to disputes covered by Indiana franchise laws; otherwise Colorado law applies."

The following is hereby added at the end of Section 20.03 of the Franchise Agreement:

"excluding only such claims as the Franchisee may have that have arisen under the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Act."

Section 14.02 of the Franchise Agreement is hereby deleted in its entirety and the following is substituted in its place:

"14.2 Covenants Not to Compete. During the term of this Agreement and for two (2) years after termination, transfer or expiration of this Agreement for any reason, neither Franchisee, nor persons associated with Franchisee, including owners, Managers, employees or agents, may participate directly or indirectly or serve in any capacity in any business engaged in the sale of services or products the same as, similar to or competitive with the System. This covenant not to compete applies: (i) during the term of the Agreement, within any state in which Franchisor, Franchisor's Affiliates, or franchisees do business; and after termination within the Franchisee's Protected Territory; (ii) on the Internet; and (iii) in any other Multi-Area Marketing channels used by Franchisor.

This covenant not to compete is given in part in consideration for training and access to Franchisor's Trade Secrets and which, if used in a competitive business without paying royalties and other payments, would give Franchisee an unfair advantage over Franchisor and Franchisor's franchisees and Affiliates. The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in other jurisdictions, or the enforceability of the remainder of this Agreement."

Section 20.03 of the Franchise Agreement is hereby deleted in its entirety and the following is substituted in its place:

"20.03 Arbitration. Except as specifically provided under this Agreement, any dispute or claim relating to or arising out of this Agreement must be resolved exclusively by mandatory arbitration by and in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("**AAA**") or another arbitration service agreed to by the parties. Arbitration will be conducted solely on an individual, not a class-wide, basis, unless all parties so agree. No award in arbitration involving Franchisor will have any effect of preclusion or collateral estoppel in any other adjudication or arbitration. The proceedings will be conducted at a location in the state of Indiana mutually agreed upon by the parties in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association and shall be heard by one arbitrator in accordance with such rules. Each party shall bear all of its own costs and attorneys' fees and one-half of the arbitrator's expenses. The decision of the arbitrator shall be final and binding. This language has been included in this Franchise Agreement as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act."

Section 21.01 of the Franchise Agreement is hereby deleted in its entirety and the following is substituted in its place:

"21.1. <u>Governing Law / Consent to Venue and Jurisdiction</u>. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*) or other federal law, disputes related to a breach of this Agreement governed by the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act shall be governed thereby and all other matters regarding this Agreement shall be interpreted under the laws of the State of Colorado and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the State of Colorado, which laws shall prevail in the event of any conflict of law. This language has been included in this Franchise Agreement as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act. With respect to disputes not related to a breach of this Agreement, Franchisee and Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving Franchisee, its officers, directors, managers or partners (collectively, "**Franchisee Affiliates**") and Franchisor, its Affiliates and their respective officers, directors and sales employees (collectively, "Franchisor Affiliates") the parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of Colorado or the Denver, Colorado office of the AAA and each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Colorado or the Denver, Colorado office of the AAA, Franchisor, Franchisor Affiliates, Franchisee and Franchisee Affiliates each waive their rights to a trial by jury."

The following is hereby added at the end of Section 21.05 of the Franchise Agreement:

"Notwithstanding anything to the contrary in this provision, Franchisee does not waive any right under the Indiana statutes with regard to prior representations made by the Franchisor."

MARYLAND

ITEM 5 of the Franchise Disclosure Document is amended to add the following language regarding the Franchise Agreement:

"We will defer payment of all initial fees until you have opened your Swim Facility."

ITEM 5 of the Franchise Disclosure Document is amended to add the following language regarding the Development Agreement:

"In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the Development Agreement opens."

ITEM 17 of the Franchise Disclosure Document and sections of the Franchise Agreement requiring that you sign a general release, estoppel or waiver as a condition of renewal and or assignment, shall not apply to liability under the Maryland Franchise Registration and Disclosure Law.

ITEM 17 of the Franchise Disclosure Document is amended to state that the release in the acknowledgement of termination shall not apply to liability under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement and Statement of Franchisee is amended to state that "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

ITEM 17 of the Franchise Disclosure Document and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration & Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

The following sentence is added to the end of Article 19 of the Franchise Agreement and Article 14 of the Development Agreement:

> "Provided, however, that this provision is not limited to, nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Laws."

ITEM 17 of the Franchise Disclosure Document is hereby amended to the extent required under the Maryland Franchise Registration and Disclosure Laws.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 *et seq.*).

The following is added to the Franchise Disclosure Document:

> "No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.
>
> Do not sign the Statement of Franchisee that is attached as Exhibit H to the Franchise Disclosure Document."

MICHIGAN

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on your right to join an association of franchisees.

(b) A requirement that you assent to a release, assignment, novation, waiver or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.

(c) A provision that permits us to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits us to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applied only if: (i) the term of the franchise is less than 5 years and (ii) you are prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least six (6) months' advance notice of our intent not to renew the franchise.

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

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

(g) A provision which permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet our then current reasonable qualifications or standards.

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

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

(iv) Your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise Section
670 Law Building
Lansing, Michigan 48913
Telephone Number: (517) 335-7567

MINNESOTA

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

ITEM 13 of the Franchise Disclosure Document and Section 10 of the Franchise Agreement are amended to state that we will protect you against claims of infringement or unfair competition regarding your use of the Marks when your right to use the Marks requires protection.

The Franchise Disclosure Document and Franchise Agreement are amended to state that we will comply with Minnesota Statute 80C.14 subdivisions 3, 4 and 5, which require except in certain specific cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

The Franchise Disclosure Document and Franchise Agreement are amended to comply with Minnesota Rules, Department of Commerce, Chapter 2860, Section 4400D, which prohibits a Company from requiring a Franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes section 80C.01 to 80C.22; provided, that this part shall not bar the voluntary settlement of disputes.

Minn. Rule 2860.4400J. states that it is unfair and inequitable for a franchisor to require a franchisee to waive his rights to any forum provided for by the laws of jurisdiction. Any language found in the Franchise Disclosure Document contrary to this rule is amended so that it does not apply to Minnesota franchisees.

Section 20.7 of the Franchise Agreement is hereby deleted in its entirety and the following is substituted in its place:

Section 20.7 Limitations on Actions. Except for payments owed by one party to the other and unless prohibited by applicable law, any legal action or arbitration proceeding brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two (2) years from the date of discovery of the conduct or event that forms the basis of the legal action or proceeding other than claims arising under Minn. Stat. §§ 80C.01-80C.22, which must be brought or instituted within a period of three (3) years from the date of discovery of the conduct or event that forms the basis of the legal action or proceeding under Minn. Stat. §§ 80C.01-80C.22.

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

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DICSLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2 or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer"**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum"** and Item 17(w), titled "**Choice of law"**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements – No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the

franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts – Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

Sections of Franchise Disclosure Document and Franchise Agreement requiring that you sign a general release, estoppel or waiver as a condition of renewal and or assignment, may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

The Franchise Agreement contains a covenant not to compete which may not be enforceable under North Dakota law.

Sections of the Franchise Disclosure Document and Franchise Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Sections of the Franchise Disclosure Document and Franchise Agreement relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Sections of the Franchise Disclosure Document and Franchise Agreement requiring you to consent to liquidated damages and / or termination penalties, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Sections of the Franchise Disclosure Document and Franchise Agreement requiring you to consent to a waiver of trial by jury, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Sections of the Franchise Disclosure Document and Franchise Agreement requiring you to consent to a waiver of exemplary and punitive damages, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Section 21.03 of the Franchise Agreement is hereby deleted in its entirety and the following is substituted in its place:

"Section 21.3 Enforcement Costs. In the event either party is required to incur any direct or indirect costs, accounting and legal fees or administrative expenses ("Enforcement Costs"), to enforce its rights under this Agreement, the prevailing party shall be entitled to reimbursement of such Enforcement Costs within five (5) days of the day the prevailing party presents the other party with an invoice for such Enforcement Costs."

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The Franchise Disclosure Document and Franchise Agreement are amended accordingly to the extent required by law.

The above language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

VIRGINIA

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

The State Cover Page is amended to include the following Risk Factor:

"**Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you."

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for SafeSplash Brands, LLC d/b/a Streamline Brands shall be amended as follows:

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

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

WASHINGTON

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, DEVELOPMENT AGREEMENT, AND RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the Franchise Agreement, the Development Agreement (if any), and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection

Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Financial Condition – Deferral of Initial Fees**. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

If Franchisor signs a Development Agreement, because franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens under the Development Agreement, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and until franchisor has met all its pre-opening obligations under the Agreement and Franchisee is open for business with respect to each such location.

20. **Trigger of Option to Purchase**. Section 17.1 (Trigger of Option to Purchase) of the Franchise Agreement is hereby deleted and replaced with the following:

17.1 Triggers of Option to Purchase. Unless otherwise explicitly provided by this Agreement, Franchisor shall be entitled to exercise the rights provided in this Section immediately upon:

(a) The expiration without extension of Franchisee's rights to operate the Franchised Business; or

(b) Termination of the Franchise Agreement for good cause (in which case Franchisor will (A) be obligated to purchase from Franchisee at a fair market value at the time of termination in accordance with RCW 19.100.180(j), the franchisee's inventory and supplies, exclusive of (i) personalized materials which have no value to the franchisor; (ii) inventory and supplies not reasonably required in the conduct of the franchise business; and (iii), if the franchisee is to retain control of the premises of the franchise business, any inventory and supplies not purchased from the franchisor or on his or her express requirement and (B) will have the option to purchase from Franchisee the remainder of the Franchised Business in accordance with this Section 17.1; or

(c) The receipt by Franchisor of a copy of a written Purchase Offer.

21. **Acknowledgement in Certain States**. Section 23.2 (Acknowledgements in Certain States) of the Franchise Agreement is hereby deleted.

(Signatures on Next Page)

The undersigned does hereby acknowledge receipt of this addendum.

Dated this __________ day of ____ 20__.

FRANCHISOR:	**FRANCHISEE:**
SAFESPLASH BRANDS, LLC **d/b/a STREAMLINE BRANDS**	______________________________
By:______________________________	By: ______________________________
Title:______________________________	Title: ______________________________

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated ________________________________, the Development Agreement (if any) dated ___________________________________ and of the Franchise Disclosure Document.

DATED __________________________.

FRANCHISOR:	**FRANCHISEE:**
SAFESPLASH BRANDS, LLC **d/b/a STREAMLINE BRANDS**	___________________________________
By:________________________________	By:________________________________
Title:______________________________	Title:______________________________

<u>FDD EXHIBIT J</u>

STATE EFFECTIVE PAGE AND RECEIPT

State Effective Dates

The following states have franchise laws that require that the 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 effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	June 18, 2025, as amended ________[PENDING]
Illinois	April 18, 2025, as amended ________[PENDING]
Indiana	April 18, 2025, as amended ________[PENDING]
Maryland	June 11, 2025, as amended ________[PENDING]
Michigan	April 18, 2025, as amended July 2, 2025
Minnesota	June 20, 2025, as amended ________[PENDING]
New York	Pending
Rhode Island	May 13, 2025, as amended ________[PENDING]
South Dakota	April 18, 2025, as amended July 2, 2025
Virginia	June 16, 2025, as amended ________[PENDING]
Washington	Pending
Wisconsin	April 18, 2025, as amended ________[PENDING]

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT
(Retain This Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If SafeSplash Brands, LLC d/b/a Streamline Brands offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, SafeSplash Brands, LLC d/b/a Streamline Brands or an affiliate in connection with the proposed franchise sale or grant. Under Illinois, Iowa, Maine, Nebraska, Oklahoma, Rhode Island or South Dakota law, if applicable, SafeSplash Brands, LLC d/b/a Streamline Brands must provide this disclosure document to you at your first personal meeting to discuss the franchise. Under New York law, if applicable, SafeSplash Brands, LLC d/b/a Streamline Brands must provide this disclosure document to you at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If SafeSplash Brands, LLC d/b/a Streamline Brands does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency identified on **Exhibit A**.

The franchise sellers for this offering are listed below. Their principal business address and telephone number is 12240 Lioness Way, Parker, Colorado 80134, (720) 735-9511. Please check the box beside the name of the franchise seller(s) with whom you discussed the franchise offering:

□ Laurie Abplanalp	□ Bob Frey	□ Chris Harkness	□ Andrew Kline
□ Abby Hussey	□ Elliot Schiffer	□___________________	□_________________

Issuance Date: April 18, 2025, as amended July 2, 2025.

<u>See</u> **Exhibit A** for our registered agents authorized to receive service of process.

I have received a disclosure document, dated April 18, 2025, that included the following Exhibits:

EXHIBIT A: List of State Administrators and Agents for Service of Process
EXHIBIT B: Franchise Agreement
EXHIBIT C: Development Agreement
EXHIBIT D: Operations Manual Table of Contents
EXHIBIT E: List of Current Franchisees and Affiliate-Owned Locations
EXHIBIT F: Franchisees Who Left the System
EXHIBIT G: Financial Statements
EXHIBIT H: Statement of Franchisee
EXHIBIT I: State-Specific Addenda
EXHIBIT J: State Effective Page and Receipt

Date on which I received the referenced disclosure document: _______________.

_____________________	____________________________	____________________________
Date	Signature	Printed Name

RECEIPT
(Our Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If SafeSplash Brands, LLC d/b/a Streamline Brands offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, SafeSplash Brands, LLC d/b/a Streamline Brands or an affiliate in connection with the proposed franchise sale or grant. Under Illinois, Iowa, Maine, Nebraska, Oklahoma, Rhode Island or South Dakota law, if applicable, SafeSplash Brands, LLC d/b/a Streamline Brands must provide this disclosure document to you at your first personal meeting to discuss the franchise. Under New York law, if applicable, SafeSplash Brands, LLC d/b/a Streamline Brands must provide this disclosure document to you at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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EXHIBIT I: State-Specific Addenda
EXHIBIT J: State Effective Page and Receipt

Date on which I received the referenced disclosure document: ______________.

_____________________ _____________________________ _____________________________
Date Signature Printed Name

Please sign this copy of the receipt, date your signature and return it to SafeSplash Brands, LLC d/b/a Streamline Brands at 12240 Lioness Way, Parker, Colorado 80134.