

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 requires you to resolve disputes with the franchisor by mediation or litigation only in Virginia. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Virginia than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty and advertising payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **General 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.

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.

4. In 2024, the highest-performing outlet (\$2,614,532) and the lowest-performing outlet (\$26,201) were operated by multi-outlet franchisees who meet the operating criteria defined in Note 1. The cost of sales and expenses for these franchisees are divided proportionally across their outlets based on the revenue generated by each outlet. These multi-outlet franchisees reported consolidated financial information for their franchise entity as a whole, rather than separate financial details for each outlet.
5. Unless noted below, all Cost of Sales and Operating Expenses were self-reported by franchisees. ~~We have not audited or otherwise independently verified the data.~~
6. Royalty is calculated at 10% of aggregated Gross Revenue, per franchise agreement.
7. Marketing Fee is calculated at 2% of aggregated Gross Revenue, per franchise agreement.
8. Advertising and promotion expenditures may vary. Some franchisees who executed prior franchise agreements have different marketing requirements and some franchisees spend more than others.
9. Net Operating Income is calculated before owner's compensation.
10. This table excludes other expenses that you may incur and that are not included in the line items presented above. Such expenses may include, but are not limited to, expenses associated with office locations (owned or leased), personal franchise owner expenses (such as health care, vehicle, travel/entertainment, and retirement expenses), aggregated franchise owner financial expenses (such as interest, amortization, and depreciation), miscellaneous expenses not essential to running a British Swim School business, other income/expense and owner's compensation.
11. Some owners choose to add a management team at the entity level as their businesses scale. Payroll for management teams at the entity level are not included.

C. Additional Performance Metrics

Contracted Pools per Franchise Outlet

Metric Tracked	Question/Answer	Notes
Contracted Pools per franchise outlet – <u>2024</u>	<p>What is the average number of pools operated per franchise outlet?</p> <p>Franchise business owners add or remove contracted pools from their inventory due to a variety of factors including demand, lane availability and operating hour availability.</p> <p>For calendar year 2024, franchise business owners contracted with an average of 2 pools per outlet. The median number of pools contracted was 2, with a low of 1 and high of 8.</p>	1
Contracted Pools per franchise outlet – <u>2023</u>	<p>What is the average number of pools operated per franchise outlet?</p> <p>Franchise business owners add or remove contracted pools from their inventory due to a variety of factors including demand, lane availability and operating hour availability.</p> <p>For calendar year 2023, franchise business owners contracted with an average of 2.3 pools per outlet. The median number of pools contracted was 2.0, with a low of 1 and high of 10.</p>	2



Additional Notes

1. The information set forth in this Item 19 summarizes financial performance of the historic operations of our franchisees operating in Standard Territories for calendar years 2022, 2023 and 2024. Since we began offering Targeted Territories as of [April 17, 2025](#), the issuance date of this disclosure document, this Item 19 does not contain any information about the performance of franchises operating in Targeted Territories.
2. **Some outlets have sold and/or earned these amounts. Your individual results may differ. There is no assurance that you will sell as much or earn as much.**
3. Written substantiation for the basis for the information set forth in this Item 19 will be made available to any prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, British Swim School Franchising does not make any financial performance representation. 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 actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Ashley Gundlach at British Swim School Franchising, LLC, 2829 Guardian Lane, Suite 100, Virginia Beach, Virginia 23452 and (757) 215-4253, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1

System wide 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	113	138	+25
	2023	138	193	+55
	2024	193	258	+65
Company Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	113	138	+23
	2023	138	193	+55
	2024	193	258	+65



**ADDENDUM TO THE FRANCHISE AGREEMENT
BRITISH SWIM SCHOOL FRANCHISING, LLC**

FOR THE STATE OF MARYLAND

This Addendum to the Franchise Agreement is entered into this ____ day of _____, 20____, between **BRITISH SWIM SCHOOL FRANCHISING, LLC** (“we”, “us” or “Franchisor”) and _____ (“you” or “Franchisee”) to amend and revise the Franchise Agreement as follows:

1. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann. Bus. Reg. §§14-201 et seq., the Franchise Agreement shall be amended as follows:

- a. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability arising under the Maryland Franchise Registration and Disclosure Law.
- b. [Section 3A of the Franchise Agreement shall be amended to add: Based upon the Franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by Franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by Area Developers shall be deferred until the first franchise under the Area Development Agreement opens.](#)
- c. ~~b.~~ Section 14B of the Franchise Agreement which terminates the Franchise Agreement upon bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- d. ~~e.~~ Section 17F of the Franchise Agreement states that the franchise must be governed by the laws of the Commonwealth of Virginia; however, in the event of a conflict of laws, to the extent required by the Maryland Franchise Registration and Disclosure Law, the laws of the State of Maryland shall prevail.
- e. ~~d.~~ A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Agreement.
- f. ~~e.~~ Sections 18, 23 and 24 of the Franchise Agreement require the Franchisee to disclaim the occurrence and/or non-occurrence of certain acts; such disclaimers are not intended to, nor shall they act, a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. All representations requiring prospective franchisees to assert to a release, estoppel or waiver of 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.
- g. ~~f.~~ Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.



h. ~~g.~~ Attachment E to the Franchise Agreement, the Program Services Agreement, shall be amended to add that a Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. 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 of fraud 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.

3. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

4. Unless expressly amended by this Addendum, all other terms of the Franchise Agreement remain unchanged.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms.

BRITISH SWIM SCHOOL FRANCHISING, LLC

By: _____
Name: _____
Title: _____

Franchisee: _____

By: _____
Name: _____
Title: _____



**ADDENDUM TO THE FRANCHISE AGREEMENT
BRITISH SWIM SCHOOL FRANCHISING, LLC**

FOR THE STATE OF MINNESOTA

This Addendum to the Franchise Agreement is entered into this ___ day of _____, 20___, between **BRITISH SWIM SCHOOL FRANCHISING, LLC** (“we”, “us” or “Franchisor”) and _____ (“you” or “Franchisee”) to amend and revise said Franchise Agreement as follows:

1. In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the parties to the attached Franchise Agreement agree as follows:

a. Section 3A of the Franchise Agreement shall be amended to add:

[Notwithstanding the foregoing, the Minnesota Department of Commerce requires us to defer payment of the Initial Franchise Fee until we have completed pre-opening obligations contained in this Agreement and the Franchised Business is open for business.](#)

b. ~~a.~~ Section 5E shall be amended to add that as required by Minnesota Franchise Act, Franchisor will reimburse you for any costs incurred by you in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

c. ~~b.~~ Sections 12C and 13C do not provide for a prospective general release of claims against Franchisor which may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

d. ~~e.~~ Section 14 shall be amended to add that with respect to franchises governed by Minnesota law, the Franchisor will comply with the Minnesota Franchise Law which requires, except in certain specified cases, that a Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Agreement.

e. ~~d.~~ Section 17F shall be amended to add that Franchisor shall not in any way abrogate or reduce Franchisee’s rights as provided for under the Minnesota Franchise Law including the right to submit matters to the jurisdiction of the courts of Minnesota.

f. ~~e.~~ Section 17J shall be amended to state that any claim concerning the Franchised Business or this Agreement or any related agreement will be barred unless an action for the claim is commenced within three (3) years from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.



g. ~~f.~~ Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

2. 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 of fraud 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.

3. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

4. Unless expressly amended by this Addendum, all other terms of the Franchise Agreement remain unchanged.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum understands and consents to be bound by all of its terms.

BRITISH SWIM SCHOOL FRANCHISING, LLC

By: _____
Name: _____
Title: _____

Franchisee: _____

By: _____
Name: _____
Title: _____



**ADDENDUM TO THE FRANCHISE AGREEMENT
BRITISH SWIM SCHOOL FRANCHISING, LLC**

FOR THE STATE OF NORTH DAKOTA

This Addendum to the Franchise Agreement is entered into this ___ day of _____, 20___, between **BRITISH SWIM SCHOOL FRANCHISING, LLC** (“we”, “us” or “Franchisor”) and _____ (“you” or “Franchisee”) to amend and revise the Franchise Agreement as follows:

1. In recognition of the requirements of the North Dakota Franchise Investment Law, the Franchise Agreement shall be amended as follows:

- (a) ~~Section 3A of the Franchise Agreement is amended to add: “Notwithstanding the foregoing, the North Dakota Securities Division requires us to defer payment of the Initial Franchise Fee and other initial payments owed by you to us until we have completed our pre-opening obligations and you have commenced operations.”~~
- (ba) Section 13C of the Franchise Agreement requires Franchisee to sign a general release as a condition of renewal of the franchise; such release shall exclude claims arising under the North Dakota Franchise Investment Law.
- (eb) Section 15E of the Franchise Agreement is amended to add:
Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
- (ec) Section 17E of the Franchise Agreement is amended to add:
Notwithstanding the foregoing, any claim arising under the North Dakota Franchise Investment Law shall be mediated or arbitrated in the State of North Dakota.
- (ed) Section 17F of the Franchise Agreement is amended to add:
Notwithstanding the foregoing, the Franchise Agreement will be governed by North Dakota law.
- (fc) Section 17G of the Franchise Agreement is amended to add:
Notwithstanding the foregoing, any claim arising under the North Dakota Franchise Investment Law shall be litigated in the State of North Dakota.
- (gf) The provisions of Section 17H of the Franchise Agreement regarding waiver of jury trial are deleted.
- (hg) Section 17H of the Franchise Agreement is amended to delete the waiver of the right to seek or recover punitive damages.
- (ih) Section 17J of the Franchise Agreement is amended to reflect that the statute of limitations under North Dakota Law will apply.

2. 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 of fraud 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



**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
BRITISH SWIM SCHOOL FRANCHISING, LLC**

FOR THE STATE OF MARYLAND

This Addendum to the Area Development Agreement is entered into this ____ day of _____, 20____, between **BRITISH SWIM SCHOOL FRANCHISING, LLC** (“we”, “us” or “Franchisor”) and _____ (“you” or “Area Developer”) to amend and revise the Area Development Agreement as follows:

1. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann. Bus. Reg. §§14-201 et seq., the Area Development Agreement shall be amended as follows:

- a. Section 2.1 of the Area Development Agreement shall be amended to add: Based upon the Franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by Franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by Area Developers shall be deferred until the first franchise under the Area Development Agreement opens.
- ab. Section 6.1 of the Area Development Agreement which terminates the Area Development Agreement upon bankruptcy of the Area Developer may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- bc. Section 7.11 requires Area Developer to sign a general release as a condition of sale and/or transfer of the area development rights; such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law.
- ed. Section 16.1 of the Area Development Agreement states that the laws of the Commonwealth of Virginia govern; however, in the event of a conflict of laws, to the extent required by the Maryland Franchise Registration and Disclosure Law, the laws of the State of Maryland shall prevail.
- de. An area developer may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- ef. Sections 14 of the Area Development Agreement requires the Area Developer to disclaim the occurrence and/or non-occurrence of certain acts; such disclaimers 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.
- fg. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

2. 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



**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
BRITISH SWIM SCHOOL FRANCHISING, LLC**

FOR THE STATE OF MINNESOTA

This Addendum to the Area Development Agreement is entered into this ___ day of _____, 20___, between **BRITISH SWIM SCHOOL FRANCHISING, LLC** (“we”, “us” or “Franchisor”) and _____ (“you” or “Area Developer”) to amend and revise said Area Development Agreement as follows:

1. In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the parties to the attached Area Development Agreement agree as follows:

a. Section 2.1 of the Area Development Agreement shall be amended to add:

Notwithstanding the foregoing, the Minnesota Department of Commerce requires us to defer payment of the Cumulative Fee until we have completed pre-opening obligations as set forth in the applicable Franchise Agreement for a Franchised Business and the Franchised Business is open for business. The Cumulative Fee must be paid proportionally with respect to each Franchised Business.

ab. Sections 4 and 6 shall be amended to add that with respect to franchises governed by Minnesota law, the Franchisor will comply with the Minnesota Franchise Law which requires, except in certain specified cases, that an Area Developer be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Agreement.

bc. Section 14 does not provide for a prospective general release of claims against Franchisor which may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400(D) prohibits an area developer from requiring a franchisee to assent to a general release.

ed. Section 16.1 shall be amended to add that Franchisor shall not in any way abrogate or reduce Area Developer’s rights as provided for under the Minnesota Franchise Law including the right to submit matters to the jurisdiction of the courts of Minnesota.

ec. In addition, Section 16.1 shall be amended to state that any claim concerning the Franchised Business or this Agreement or any related agreement will be barred unless an action for the claim is commenced within three (3) years from the date on which Area Developer or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.

ef. Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of Area Developer’s



**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
BRITISH SWIM SCHOOL FRANCHISING, LLC**

FOR THE STATE OF NORTH DAKOTA

This Addendum to the Area Development Agreement is entered into this ___ day of _____, 20___, between **BRITISH SWIM SCHOOL FRANCHISING, LLC** (“we”, “us” or “Franchisor”) and _____ (“you” or “Area Developer”) to amend and revise the Area Development Agreement as follows:

1. In recognition of the requirements of the North Dakota Franchise Investment Law, the Area Development Agreement shall be amended as follows:

(a) ~~Section 2.1 of the Area Development Agreement is amended to add: “Notwithstanding the foregoing, the North Dakota Securities Division requires us to defer payment of the development fee associated with a particular Franchised Business to be opened, the initial franchise fee and other initial payments with respect to a particular Franchised Business owed by Area Developer to Franchisor until Franchisor has completed its pre-opening obligations with respect to such Franchised Business and such Franchised Business has commenced operations.”~~

(ba) Section 8.3 of the Area Development Agreement is amended to add:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

(eb) Section 16.1 of the Area Development Agreement is amended to add:

Notwithstanding the foregoing, the Area Development Agreement will be governed by North Dakota law.

(ec) Section 16.2 of the Area Development Agreement is amended to add:

Notwithstanding the foregoing, any claim arising under the North Dakota Franchise Investment Law shall be litigated in the State of North Dakota.

(ed) Section 16.3 of the Area Development Agreement regarding waiver of jury trial is deleted in its entirety.

(fc) Section 16.5 of the Area Development Agreement is amended to delete the waiver of the right to seek or recover punitive damages.

2. 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 of fraud 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.

3. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law applicable to the provisions are met



**ADDENDUM TO THE
BRITISH SWIM SCHOOL FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT**

FOR THE STATE OF MARYLAND

ITEM 5 of the Disclosure Document is amended as follows:

Based upon the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by Franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by Area Developers shall be deferred until the first franchise under the Area Development Agreement opens.

ITEM 17 of the disclosure document is amended to add the following:

The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The provisions in the Franchise Agreement and Area Development Agreement which provide for termination upon bankruptcy of the franchisee or area developer, as applicable, may not be enforceable under federal bankruptcy law.

Exhibit F, Franchise Disclosure Questionnaire, of the disclosure document is amended to add the following:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of 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.

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 of fraud 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.



**ADDENDUM TO THE
BRITISH SWIM SCHOOL FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT**

FOR THE STATE OF MINNESOTA:

[ITEM 5 of the disclosure document has been amended to add:](#)

[The Minnesota Department of Commerce has required the Franchisor to assure its financial capability. Accordingly, we defer the payment of the Initial Franchise Fee until we have satisfied our pre-opening obligations and the Franchised Business opens for business. Upon the occurrence of these conditions, you must pay to us the Initial Franchise Fee.](#)

ITEM 6 of the disclosure document entitled “Late Payment” is amended to state \$30 per occurrence, which is the highest rate allowed under Minnesota law.

ITEM 13 of the disclosure document is amended as follows:

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12, Subd.1(g), Franchisor will reimburse the Franchisee for any costs incurred by the Franchisee in the defense of the Franchisee’s right to use the Marks, so long as the Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

ITEM 17 of the disclosure document is amended as follows:

With respect to franchises governed by Minnesota law, the Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, (1) that a Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Agreement and (2) that consent to the transfer of the Franchise will not be unreasonably withheld.

Item 17 does not provide for a prospective general release of claims against Franchisor which may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of your rights as provided for in Minnesota Statutes, Chapter 80C, or (2) your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Further, Franchisee cannot consent to Franchisor obtaining injunctive relief; but, the Franchisor may seek injunctive relief.

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 of fraud under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance



**ADDENDUM TO THE
BRITISH SWIM SCHOOL FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT**

FOR THE STATE OF NORTH DAKOTA

The State of North Dakota has determined that the following types of provisions are deemed to be contrary to North Dakota law:

- (a) Covenants not to compete are generally considered unenforceable in the State of North Dakota. The Commissioner has held that covenants restricting competition are contrary to Section 9-08-06 of the North Dakota Century Code, and are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Investment Law.
- (b) A provision that designates jurisdiction or venue, or requires Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota;
- (c) A provision requiring a North Dakota franchisee to consent to termination penalties or liquidated damages;
- (d) A provision requiring that the laws of a state other than North Dakota will apply;
- (e) A provision calling for the waiver by a Franchisee of the right to trial by jury;
- (f) A provision requiring the Franchisee to waive exemplary and punitive damages;
- (g) A provision requiring a Franchisee to sign a general release upon renewal of the Franchise Agreement;
- (h) A provision restricting the time in which a Franchisee may make a claim to less than the applicable North Dakota statute of limitations;
- (i) A provision requiring a Franchisee to pay all costs and expenses incurred by the Franchisor in enforcing the Franchise Agreement or Area Development Agreement.

Such provisions, if applicable, are amended by the North Dakota amendments to the Franchise Agreement and Area Development Agreement attached to such agreements.

~~Item 5 of the Disclosure Document is amended to add the following:~~

~~The North Dakota Securities Department requires us to defer payment of the initial franchise fee and other initial payment obligations owed by franchisees to us until such time as all initial obligations owed to franchisee under the Franchise Agreement and other documents have been fulfilled by us and the franchisee has commenced doing business pursuant to the Franchise Agreement.~~

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 of fraud 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.



Summary report:	
Litera Compare for Word 11.9.1.1 Document comparison done on 5/16/2025 10:52:53 AM	
Style name: AJN	
Intelligent Table Comparison: Active	
Original DMS: iw://cloudimanager.com/IMANACTIVE/30487789/9	
Modified DMS: iw://cloudimanager.com/IMANACTIVE/30487789/11	
Changes:	
<u>Add</u>	104
Delete	96
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	200