

Provision	Section in Franchise or Other Agreement	Summary
m. Conditions for Franchisor approval of transfer	Sections 15.2 and 15.3 of the Franchise Agreement	All monetary obligations are current; full compliance with Franchise Agreement; your signing of a general release; written assignment in a form approved by us; transferee meets our qualifications and completes training; transferee's signing of the current form of the Franchise Agreement; transferee's satisfaction of licensing requirements; refurbishment of Academy; no release of transferor; payment of training and transfer fees, and other conditions.
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 15.6 of the Franchise Agreement	We can match any offer for your business.
o. Franchisor's option to purchase Franchisee's business	Section 17.12 of the Franchise Agreement	If Franchise Agreement terminates or expires, we may purchase all assets related to your business at fair market value, or the appraised value if parties cannot agree.
p. Death or disability of Franchisee	Sections 15.9 and 15.10 of the Franchise Agreement	Your interest must be transferred to an approved buyer within nine months after your death or disability.
q. Non-competition covenants during the term of the franchise	Section 18.3 of the Franchise Agreement	No involvement in competing business anywhere, <u>subject to applicable state law.</u>
r. Non-competition covenants after the franchise is terminated or expires	Section 18.3 of the Franchise Agreement	No involvement for two years in competing business within 20 miles of Franchisee's Exclusive Territory or of any other Academy, or any other primary market area, <u>subject to applicable state law.</u>
s. Modification of the Agreement	Section 25 of the Franchise Agreement	No modifications to Franchise Agreement except those permitted to be made by us; Manuals are subject to change by us.
t. Integration/merger clause	Section 25 of the Franchise Agreement	Only the terms of the Franchise Agreement and any other agreements are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. No claim made in a franchise agreement, or any related agreement is intended to disclaim the express representations in this Franchise Disclosure Document.

**ADDENDUM TO THE**  
**KIDDIE ACADEMY DOMESTIC FRANCHISING, LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**REQUIRED BY THE STATE OF MINNESOTA**

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with 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.

**THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

*[Remainder of Page Intentionally Left Blank]*

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subds. 3, 4, and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. *See* Minn. Rule 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

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